

THE HOMELAND SECURITY DEPARTMENT'S BUDGET SUBMISSION FOR FISCAL YEAR 2009

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

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THURSDAY, FEBRUARY 14, 2008

U.S. SENATE,
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 1:35 p.m., in Room SD-342, Dirksen Senate Office Building, Hon. Joseph I. Lieberman, Chairman of the Committee, presiding.

Present: Senators Lieberman, Levin, Akaka, Pryor, Landrieu, Tester, McCaskill, Collins, Stevens, Voinovich, Coleman, and Domenici.

OPENING STATEMENT OF CHAIRMAN LIEBERMAN

Chairman LIEBERMAN. The hearing will come to order.

Good afternoon, Mr. Secretary. I am pleased to welcome you this afternoon for what has become your annual appearance, or the Secretary's annual appearance, before our Committee to discuss the Department of Homeland Security's budget request—in this case for fiscal year 2009.

The Department will have reached an important milestone at the end of this month. As you know, on March 1, the Department of Homeland Security will have completed its fifth year in existence. And as we examine your budget request for the coming fiscal year, naturally it is appropriate to take a moment to assess how the Department has fared over the 5 years since it was established and what more we have to do to get it to where we want it to be.

I would say that the record has a lot of encouraging developments in it. Important measures have been taken to improve aviation and maritime security, to address vulnerabilities at our borders, to train and equip law enforcement officers, firefighters, and emergency medical workers—the first responders and, as we on this Committee like to call them, the first preventers—across our country. These are the people we depend on, as we have seen time and again, at the outset of every disaster.

I also want to note with appreciation that every day you and the more than 200,000 other employees of the Department of Homeland Security (DHS) across the Nation, and indeed in some cases outside the Nation, single-mindedly work to keep the American people safe in the post-September 11, 2001, world, and for that you do have our thanks and appreciation.

The fact that we have not had another terrorist attack on our homeland since September 11, 2001, is not an accident. There is

obviously in life good fortune and grace, but the Department of Homeland Security and all that you at the Department have done has surely helped make that so. We grow safer every day, but the war of Islamist extremists and terrorists against us, and us with them, goes on. I know we would all echo the words of the 9/11 Commission Report that we have come a long way since then, that we are safe. In fact, I would say we are safer today than we were when the 9/11 Commission Report came out—but we are in a war against an enemy that has no humanitarian and civilizational norms that it follows and therefore we are not yet safe enough.

The Department obviously, in my opinion and others, still has a way to go before it gets to the point we want it to be, which is to be a well-integrated operation, the kind we envisioned when we created the Department back in 2002, even acknowledging that we knew that it would be difficult to bring the many agencies and many subcultures together quickly.

We are in some ways not yet as prepared, as I have said, as we should be to meet a variety of threats, which if successfully carried out could inflict damage on our country. I am thinking of the security of our vast computer systems and databases, which the Department is just beginning to address seriously. I am also concerned that we lack adequate plans to prevent and respond to an attack using weapons of mass destruction, especially nuclear weapons, which is why Senator Collins and I have launched an investigation into that subject. Significant work remains also to be done to secure our critical infrastructure and, of course, our borders.

An array of management challenges also continues to impede the success of the Department. We have commented before in this Committee about the morale of the DHS workforce, which, according to surveys that have been done, is much lower than we would like it to be. More active supervision is needed of several large costly procurement projects, such as SBInet, Deepwater, and the Advanced Spectroscopic Portal Program, to prevent wasteful and inefficient spending and to ensure, therefore, that taxpayer dollars are spent wisely.

The security of many of the Department's own IT systems is, in my opinion, not yet what we want it to be, and the lack of consolidated headquarters makes many of these challenges that much more difficult to overcome.

Two and a half years after Hurricanes Katrina and Rita, we are reminded that the Department is still rebuilding its preparedness, response, and recovery capabilities. Improvements required by the Post-Katrina Emergency Management Reform Act, I am pleased to note, are beginning to take hold. FEMA is making progress, but it, too, has a way to go before it is where we want it to be.

Obviously, leadership is a key to getting this work done, and I thank you for your leadership and that of those on your team, Mr. Secretary, but adequate funding is also an essential element of making this Department what we want it to be.

I am, therefore, disappointed about some of the areas in which the proposed budget, in my opinion, shortchanges potential success in key areas. I would say the most significant deficiency comes in the area of grants for State and local governments. For the fifth consecutive year, the Administration proposes to cut funding for

those grants that communities across the country depend on most to pay for their homeland security needs. Without these grants, the Nation's first responders cannot capably partner with the Federal Government to prevent attacks or respond effectively when disaster strikes.

The Administration's 2009 budget proposal calls for an overall 48 percent cut to State and local homeland security grant programs, including a 60 percent cut to firefighters, a 56 percent cut to transit security grants, and a 48 percent reduction to port security grants. Those are not just budget trimmings, they put us in danger of being out of the business of supporting State and local homeland security efforts, and this obviously in the context of a continuing threat. I know that Members of this Committee on a bipartisan basis will do what we have done before, which is to oppose these proposed cuts and to work to restore funding to full levels authorized by last year's 9/11 Commission legislation.

This will be a critical year for the Department of Homeland Security. In November, we will elect a new President, and no matter who is elected, the Department will undergo a transition in leadership. That is, I assume that you have retained enough sanity not to want to continue in this position, Mr. Secretary. We know from experience that al-Qaeda launches attacks at precisely the moment of greatest vulnerability, and one of those times can be, in their perception, during transitions of leadership. That is why the transition next year from one Administration to the next must be well-planned and executed.

I note with appreciation that serious efforts are already underway under your leadership to achieve that result and the plans you are now setting in place, I hope will be fully and effectively implemented.

Mr. Secretary, you know as well as anybody that the terrorist threat is as serious today as it has been at any time since September 11, 2001. I have heard you talk about what keeps you up at night, and that is the threat of a WMD attack. The fact is that there is no shortage of possibilities of the ways in which this might happen in our open society. The challenge of confronting and overcoming these threats can seem overwhelming, but you and your employees cannot afford to let down your guard and we cannot afford to let down our guard, which is why I believe we must invest in you, the people who work at the Department, to provide better training and better workplace conditions so that the Department can attract and retain the best and brightest employees.

We, on this Committee, understand the responsibility you have taken on and again appreciate your leadership and hard work. We will continue to work with you as we work to fulfill our oversight responsibilities in ways that strengthen the Department, more important, strengthen the security of every single American. I look forward to your testimony today and a discussion about the work ahead for all of us to secure our homeland.

I thank you, Mr. Secretary. I now call on Senator Collins.

OPENING STATEMENT OF SENATOR COLLINS

Senator COLLINS. Thank you, Mr. Chairman. Mr. Chairman, as you mentioned, the Department of Homeland Security is now ap-

proaching its fifth anniversary and I think it is appropriate today that in addition to encouraging the Department and criticizing the Department, that we also thank the Department and recognize that there has been considerable progress in the past few years after a rocky beginning.

But we also know from this Committee's oversight work, from GAO and IG reports, and from the Secretary's own prior testimony that much more remains to be done to fully integrate, improve, and strengthen the Department's ability to confront the threats facing us and to deliver services and implement programs more effectively.

The Administration's budget proposal for DHS contemplates a 4.6 percent increase in outlays compared to last year's levels and funds some very worthwhile initiatives. The budget proposal must recognize that the risks of catastrophic natural disasters and terrorist attacks will not go away, that our borders and coastlines must be made more secure, and that our Nation's infrastructure, including seaports and chemical plants, must be protected.

Yet the President's budget actually reduces funding for nearly every program that supports preparedness and prevention programs at State and local levels. A bedrock assumption of the National Response Framework is that first responders and State and local emergency managers will typically be the first to arrive on the scene of any disaster, even though massive Federal aid and support may soon follow. These first responders also serve, as the Chairman noted, as a critical line of defense against terrorist attacks, whether they may be a county sheriff patrolling an area of Northern Maine near the border, or a New York City police officer investigating a pipe bomb threat.

The unpredictability of disasters and terrorist activity underscores the practical necessity for partnership and coordination at all levels of government. States rely heavily on the homeland security grants for emergency planning, risk assessments, mutual aid agreements, equipment, training, and exercises for first responders. That is why I share the concerns expressed by the Chairman today about the nearly \$700 million gap between this year's funding for the State Homeland Security Grants, or rather what the budget is proposing, and what Congress enacted just this past year.

The proposed funding of only \$210 million instead of \$400 million for port security grants is also cause for concern. We passed a landmark port security bill. It is already beginning to make a real difference, but if it is not funded, its promise will not be realized.

I am also concerned about the absence of funding for important grant programs like the Staffing for Adequate Fire and Emergency Response (SAFER) grants for firefighters, interoperable communications grants, which have been a priority for this Committee, and the program that provides assistance to purchase commercial equipment for emergency response providers. The cuts in these programs—these are the front-line programs—could have disastrous consequences for emergency preparedness, prevention, and deterrence.

Federal funding has helped to enhance our Nation's ability to protect transportation systems, ports, chemical facilities, and other critical infrastructure, but it is clear that the job is not finished,

and indeed, we have not brought every State up to a certain baseline level of preparedness to meet the preparedness goals.

Now, I do want to recognize that there are some positive elements in this budget. I applaud the DHS proposal to upgrade vehicle lane technology at the busiest 39 land ports of entry and to increase Customs officers' presence, including at ports of entry in my State, in the Maine towns of Calais, Houlton, and Madawaska. The funding increases for FEMA, Customs and Border Protection, and the Coast Guard are all welcome, as is the increased funding to place a Protective Security Advisor in every State.

The Department commendably is also taking initial steps to fund updates to a severely outdated computer system now deployed at the ports of entry. Our Committee has been investigating the weaknesses in this system that allowed a Mexican national with drug-resistant tuberculosis to enter the United States undetected some 21 times. We have found that the current system cannot perform many basic search functions that ordinary citizens could use on an ordinary web-based search engine every day.

On the critical and growing need to counter the threat of terrorist bombs, improvised explosive devices (IEDs), right here in the United States, I am also disturbed to see that the proposed budget would cut the current \$10 million in funding for the Office of Bombing Prevention by more than \$800,000. This makes no sense to me at all given what the experts have warned us about. The funding also falls far short of the \$25 million funding level sought in the bombing prevention bill that the Chairman and I have introduced. That number was not plucked out of the air. It is based on expert testimony and calculations, so I hope we can reverse that cut, as well.

Again, Mr. Chairman, thank you very much for calling this hearing today. Mr. Secretary, it is a pleasure to have you back.

Chairman LIEBERMAN. Thanks, Senator Collins, for your excellent opening statement.

Mr. Secretary, it is all yours.

**TESTIMONY OF HON. MICHAEL CHERTOFF,¹ SECRETARY, U.S.
DEPARTMENT OF HOMELAND SECURITY**

Secretary CHERTOFF. Thank you, Mr. Chairman, and thank you, Senator Collins. It is a pleasure to appear again before this Committee. We have had a terrific relationship over the 3 years that I have been Secretary. I have to observe that in addition to our fifth anniversary, which is coming up in a matter of a few weeks as a Department, my third anniversary as Secretary is tomorrow, and this is the fourth time I have appeared before this Committee in connection with a budget request. So I look forward to our dialogue today, but also to an ongoing dialogue as we work further to institutionalize the Department and prepare for a transition into the next President's term.

This is a fiscally responsible budget that advances the Department's most critical priorities. We focus our resources on the greatest risks and we give our 208,000 employees the tools and support they need to continue to protect the American people.

¹ The prepared statement of Mr. Chertoff appears in the Appendix on page 41.

Now, Mr. Chairman, I could not agree more that this threat is very real, and the thing that we need to continue to remind ourselves is that complacency is the greatest enemy that we have and the greatest challenge that we have. In the last year since I spoke with you in connection with the prior budget, we have seen an attack take place in the United Kingdom that failed simply because of the incompetence of the attackers. We have seen a serious plot disrupted in Germany. We saw arrests in Spain in the last few weeks. There were arrests in the last couple of days in Denmark of a militant or a couple of militants who were planning to kill a cartoonist.

These are all stark reminders that the reason we have not been successfully attacked here is not a lack of intent by the enemy, but the fact that we have managed to disrupt, frustrate, or deter them from carrying out their attacks. But as you have observed, Mr. Chairman, this is a dynamic process. They continue to retool themselves, and if we do not continue to adapt and improve, we will put ourselves in a position where we fall behind.

Now, this year, for fiscal year 2009, we are requesting \$50.5 billion in the Department's budget as compared with the previous baseline budget of 2008. That is excluding emergency funding. That is an increase of \$3.2 billion, which I think comes to about 6.8 percent over last year's baseline, and 62 percent over where we were nearly 5 years ago.

Let me talk a little bit about the five major elements of our strategy and how the budget promotes that. Let me also observe that, as with any other budget—I know every governor knows this as well as everybody who has served in the Executive Branch—there are difficult trade-offs. There are things that are not funded as fully as some might like, and not because they are not important, but because the pie is only so big, and although the pie has grown this year, it is still finite, and if we put a larger slice in one area, we are going to have to cut the slice in another. So I hope as we continue with today's hearing to be able to explain our reasoning in this regard.

I basically divide our strategy into five objectives: Protecting the Nation from dangerous people; protecting the Nation from dangerous things; hardening and protecting our critical infrastructure; boosting our emergency preparedness and response; and strengthening our management and operations.

So let me begin with some of the highlights of what we have done and what we are doing to protect our Nation from dangerous people. At the border, as of earlier this month, we have built over 294 miles of pedestrian-vehicle fencing at the border. We had over 15,000 Border Patrol agents sworn in by the end of 2007, and we are on track to hit over 18,000 by the end of this calendar year, which is more than twice what the President had when he came into office.

A little less than a year and a half ago, I announced that we had ended the pernicious practice of catch and release of non-Mexican illegal aliens apprehended at the border. We have sustained keeping catch-and-release off the books and have catch-and-return operating. That has been a major deterrent for people coming into the country illegally, and we have seen some net positive results. Ap-

prehensions are down over 20 percent over the prior fiscal year. In addition, remittances are down.

Evidence of activity south of the border indicates to us that staging areas are beginning to shrink. The cost of coyotes and smugglers has increased, and that is again a sign of success. An unhappy sign of success is increased violence against Border Patrol agents, which is typically a metric that we see going up when criminal organizations feel that their businesses are in peril and they are fighting harder to preserve their ill-gotten gains. We are committed to continuing to support our Border Patrol agents in every way that we can in making sure that they do not become victims of these organized criminal gangs.

We want to continue building on this progress in fiscal year 2009. We are requesting \$3.5 billion for the Border Patrol, which is an increase of almost half-a-billion dollars, so that we can add 2,200 new Border Patrol agents by the end of September 2009. That would bring us up to over 20,000 agents.

We are requesting \$775 million on top of about \$1.25 billion that we received in 2008 to continue our efforts to develop and deploy technology and tactical infrastructure, including fencing at the border, to prevent incursions and to improve the Border Patrol's capability to intercept and apprehend illegal aliens, recognizing that, of course, the economic magnet that pulls illegal aliens in has to be tackled. If we are really going to have a solution to illegal migration, we want to continue to build on our success in worksite enforcement. In the last fiscal year, Immigration and Customs Enforcement (ICE) made 863 criminal arrests, issued 750 indictments, and yielded 561 convictions as a result of worksite enforcement operations, 92 of the people charged were in the employer's supervisory chain, including some senior executives, and 771 were employees.

Therefore, to continue moving forward, we are requesting \$1.8 billion in fiscal year 2009, an increase of about a quarter-of-a-billion dollars, to help ICE expand its custody operations, getting us up to a total of about 33,000 beds. I might observe this is a 78 percent increase from where we were just 4 years ago, in fiscal year 2005. In all, we are requesting \$3 billion—that is an uptick of \$311 million—for ICE interior enforcement-related activities, including fugitive operations, the Criminal Alien Program, which looks to remove convicted illegal aliens from State and Federal prisons, supporting State and local programs to help us enforce the immigration laws, anti-gang initiatives, and worksite enforcement.

Finally, we are requesting \$100 million, an increase of \$40 million, for our E-Verify electronic automated employment authorization verification system so that employers can use this system to run their new employees' names and Social Security numbers against DHS and Social Security databases. This program has become increasingly popular. We now have over 52,000 employers who have signed up to use it. It is important, however, that in addition to the money, Congress reauthorize the program, which is due to expire this year. So we are going to request your help in that.

Turning to the issue of protecting us from dangerous goods, let me observe what we accomplished last year. At the end of the cal-

end of last year, we were scanning virtually 100 percent of all containers entering our Southern border or coming into our seaports. That is a dramatic increase from where we were several years ago, where the number was around zero percent. We are at around 91 percent at our Northern border. We have expanded our Container Security Initiative to 58 foreign ports. Consistent with the Security and Accountability for Every (SAFE) Port Act, we have begun 100 percent radiation scanning at three pilot ports—Pakistan, Honduras, and Southampton in Great Britain—and we have agreements with four other ports that we hope to implement this year, and that is part of our Secure Freight Initiative.

For fiscal year 2009, we are requesting \$157 million, an uptick of \$67 million, to support continued deployment of radiation portal monitors so that we get close to 100 percent scanning at our Northern border, which will give us essentially full scanning of all containers that come into the United States.

At the same time, we are going to be continuing to implement the project to screen and scan general aviation that comes into this country from overseas to close that potential vulnerability with respect to a weapon of mass destruction, and we are working on rolling out a small boat strategy to enable us to deal with the possibility of small boats being used to smuggle in a weapon of mass destruction or dangerous terrorists.

Turning to the issue of our critical infrastructure—thanks to the work of this Congress in passing a Chemical Security Authorization Act—we have completed our National Infrastructure Protection Plan, all the 17 sector-specific plans, and the chemical security final rule, which we are currently in the process of implementing with those chemical sites that have been identified as the most potentially risky across the country. We did establish an Office of Bombing Prevention and we have added additional layers of security in aviation and mass transit.

Let me highlight some of our initiatives as captured in this year's proposed budget. We are requesting \$1.3 billion, an uptick of almost \$360 million, for Department-wide efforts to counter IED threats. This includes more than \$1.1 billion for TSA explosive detection technology, \$30 million to train Transportation Security Officers (TSOs), and \$9 million for our Office for Bombing Prevention. We are also requesting \$45 million, which is an increase of \$15 million, for behavior detection officers who work at our airports to identify people whose behavior is suspicious and warrants a closer look. This is the kind of technique that is used in Europe and in Israel as an effective layer of defense against people getting on airplanes and carrying out threats.

We are requesting \$30 million, which is an increase, to continue our 10 Visible Intermodal Protection and Response Teams. These are teams of integrated law enforcement and TSOs plus dogs that surge into mass transit and airports in order to provide enhanced security, either when there is a specific threat or merely in order to have the random level of security raised to provide an extra measure of protection for mass transit.

And finally and importantly, as the Chairman and the Ranking Member mentioned, we are tackling in a very significant way at long last the issue of cyber security as part of an integrated Cyber

Security Initiative which the President has authorized us to pursue beginning this fiscal year. That means we are requesting almost \$300 million, an increase of \$83 million, to further deploy our anti-intrusion detection capabilities and to increase U.S. search ability to analyze and reduce cyber threats. I look forward to working with the Committee on this particular issue, which probably needs to be discussed further in a classified setting.

The fourth goal is effective emergency response. We have worked very hard to, I wouldn't say rebuild, but to build FEMA to a level it has never been before with respect to emergency preparedness and response. This year, we are continuing on that path by seeking a \$64.5 million increase for FEMA's vision initiatives, which include, among other things, converting thousands of temporary workers into permanent core employees at FEMA, so that is a cadre of experienced people that we can put into the field and around which we can build a surge capability when we do have an emergency.

We are also working very hard to increase its information technology (IT) functions, and I think FEMA has proven over the last year an increased capability to move swiftly and efficiently in partnership with the Department of Defense, which has been a great partner, to respond effectively to emergencies and disasters across the country.

I know the question of formaldehyde in trailers will come up and I look forward to talking with you about that effort in the course of this hearing. I will just simply reiterate what we said last summer. We continue to encourage people who have any anxiety about their trailers to come forward so that we can move them out of trailers. We have been very successful in the last 3 months at removing people from trailers at a rate of about 800 trailers a month, and we want to continue to do that. We have driven down the numbers very dramatically, but we want to continue to encourage those who are resistant to get into more permanent housing.

Finally, with respect to grants, although I know the levels that we are requesting are below what Congress enacted and that has pretty much been the pattern over the last several years, we have done some things of which I think you will approve. We have continued this year, as we did last year, to have separate Port Security Grants and Rail Transportation Security Grants as opposed to lumping them in a single Infrastructure Protection Program, which was not warmly received on Capitol Hill. Our requested amounts for this year are, in fact, what we requested last year, which reflects our overall assessment of what is a disciplined program for building capabilities over a long period of time.

I recognize there is always more need, and again, I come back to my pie analogy. We had hard choices to make with an admittedly generous but nevertheless finite budget and we had to balance the needs of localities and States, which are continuing to build capabilities, with the need to make sure we are funding those responsibilities which are exclusively Federal.

Finally, let me talk about the importance of strengthening management and operations and plug in particular the need for \$120 million that we are requesting to consolidate DHS headquarters at St. Elizabeths. My one disappointment in the omnibus appropria-

tion this last year is we did not get the money for St. Elizabeths. A big chunk of this money, about \$400 million or so, is in GSA, and that was not funded, either. It is easy to shortchange bricks and mortar when there are other perhaps more appealing immediate needs to be dealt with, but I can tell you, to build morale, to build institutional capability, to improve security of our operations, and to make our management function better across the board, investing in a permanent headquarters makes a lot of sense and I am going to urge Congress to work with us to do that.

So with that, I look forward to continuing to work with this Committee over the course of this next year and to answer your questions.

Chairman LIEBERMAN. Thanks, Mr. Secretary.

I would suggest we do a 6-minute round of questions, because we have a lot of members here. We would like to get people involved.

Let me just say first that I totally support the request for the DHS headquarters to be consolidated at St. Elizabeths. I regret that wasn't included in the omnibus budget. As you know better than we, DHS is now spread throughout 70 buildings across the National Capital Region and that makes communication, coordination, and leadership very difficult. So I hope we can do that this year.

Let me ask you about the formaldehyde, since it is in the news today. This is a Center for Disease Control (CDC) report that says fumes from 519 trailer mobile homes in Louisiana and Mississippi which they tested were an average of about five times what people are exposed to in most modern homes. In some trailers—I am reading from the report—the levels were more than 50 times the customary exposure levels, raising fears that residents could contract respiratory problems. A gentleman named Mike McGann, director of the CDC division that focuses on environmental hazards, recommends that FEMA move people out quickly with priorities to families with children, elderly people, or anyone with asthma or other chronic conditions.

So I wanted to get your more detailed response, and though the report just came out today, whether you have anything new to say about what FEMA intends to do to get people, including along this priority list, out of these trailers.

Secretary CHERTOFF. Let me say that last summer, FEMA announced, and I personally announced when I was down in New Orleans, a program, not only an invitation, but frankly encouragement to anybody in a trailer who not only suffered physical symptoms, but had anxiety of any kind about physical effects of formaldehyde or simply wanted to get out of trailers, to raise their hands so we could move them out and a number of people did. Frankly, fewer did than I expected would. And it has, in fact, been our policy and our intent over the last 3 months to move as many people out of trailers as we possibly can. That is particularly true with respect to people who are in these group shelters or group trailer parks.

I actually earlier said we move 800 out a month. I am sorry. We have been moving 800 out a week over the last 3 months, and we are at the point now that there are about 38,000 households on private sites and about 7,400 in group commercial or industrial sites.

I would urge people to get out of the trailers.

Chairman LIEBERMAN. Right.

Secretary CHERTOFF. Now, I recognize the reality that there is not a lot of housing in the area and that may mean for some people they will have to move some distance away. That has been, frankly, one of the reasons why I think some people have been reluctant to move out of the trailers. But from any number of standpoints, whether it be formaldehyde or just the fact that these trailers are not designed as permanent residences, I think that people would be much better served if they bit the bullet and moved out, and we will do everything that we can certainly to facilitate that. I guess a question you will have to wrestle with is whether we will compel people to move out.

Chairman LIEBERMAN. Yes, I was just going to ask that question. I mean, as I looked in a little more detail at the report which just came out from CDC, they said average levels of 77 parts formaldehyde per billion parts of air was what they found, significantly higher than the 10 to 17 parts per billion concentration seen in newer homes. Levels in some homes were as high as 590 parts per billion. So I know this has just happened today, but I think you raise an important question which I hope you and FEMA will consider—whether the risk to public health is, based on the CDC report, so real that you will want to compel people to leave the trailers, particularly if they have kids and elderly people or anybody with asthma or a chronic pulmonary condition.

Secretary CHERTOFF. I think that is a very serious question, so let me just lay a couple of other items on the table on this.

Chairman LIEBERMAN. Go ahead.

Secretary CHERTOFF. One way we could do this, of course, would be to charge rent for the trailers. One of the reasons people stay is because they are rent-free. But I want to put on the table the fact that when we have tried in the past to remove people, even if it is for their own good, there is a great deal of complaining, and in fact, we wind up getting sued over this. So this decision is not going to be an easy decision.

Let me make two other quick observations. FEMA is in the position of the consumer, in a sense, in having acquired these trailers. It has been an enormous source of dismay and disappointment that housing products that for years have been bought by FEMA turn out to have high formaldehyde levels. We are like everybody else who buys on the open market, and we are a little bit at sea because there is no standard for trailers that is safe or not safe.

Moreover, I was somewhat surprised to see in the report that came out that mobile homes, which are designed to be more or less permanent housing, which again we buy on the open market like everybody else, also had higher levels of formaldehyde than expected. There is a lot we don't know and we are, frankly, not in a position to answer as an agency. We don't know what is the baseline for mobile homes across the country. Is this a problem that is unique to the trailers that we purchased for some reason, or is it something that is prevalent in general? What is safe for individual populations?

So while we are going to work very diligently to move people out of the trailers, I want to be clear that we are in a position, like any

other consumer, of being uncertain about what is a safe level, if any, with respect to these residences.

Chairman LIEBERMAN. Looking at this summary of the CDC report today, it has a real sense of urgency to it. I mean, they say these conclusions support the need to move people quickly or relocate trailer residents before the warmer weather of summer, again following the priority list. They suggest that FEMA consider necessary assistance to Louisiana and Mississippi Health Departments to ensure adequate follow-up, including medical needs, for trailer residents and that FEMA should consider establishing a registry of long-term health monitoring of children and others who resided in FEMA-supplied trailers.

This report puts a direct responsibility on FEMA and on the Department, and I think there is a concern implicit here about future liability.

Secretary CHERTOFF. Well, I certainly hope that CDC will work with us on any medical follow-up because I want to emphasize we are not medical personnel.

Chairman LIEBERMAN. Sure.

Secretary CHERTOFF. We have to rely on others just as we have to rely on other agencies to set standards for what we buy in the marketplace.

Let me make this clear, and I have directed FEMA about this. We are out of the trailer business. We are no longer going to provide trailers for people in disasters. I say that up front because I guarantee you that in the next disaster, I will be besieged by requests for trailers.

Chairman LIEBERMAN. Yes.

Secretary CHERTOFF. So in light of the uncertainty, I think the only safe course is to stop trailers.

Chairman LIEBERMAN. My time is up. Thank you very much. Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Let me follow up on the subject that the Chairman just raised. It is my understanding that just in the past couple of weeks, FEMA has agreed to send some of those infamous travel trailers and mobile homes that were stored in Arkansas and that Senator Pryor and I held a hearing in 2006. Some of those are going to be sent to house the victims of tornadoes in Arkansas and Tennessee. Have you put that plan on hold? Have those been tested also for formaldehyde?

Secretary CHERTOFF. Yes. Let me explain. I don't think the results that we got on the trailers were terribly surprising, but the mobile home results were surprising because for mobile homes apparently up to now, there have been standards for the ingredients in mobile homes that have been set by law, and so our assumption was that mobile homes were basically vetted and we could use them, as distinct from trailers, and you don't want to confuse the two.

I was surprised to learn today, and I haven't studied all the data, that mobile homes apparently also have higher-than-expected levels of formaldehyde. So that, of course, throws a question on the whole issue of mobile homes and their safety.

What we will do in the short run is we will test the mobile homes before we send them out. However, I will warn you, that will mean there will be a delay in the process because we have to test them. It also means that we may have to get out of the business of providing mobile homes.

So I put all this on the table because the implications of this are far beyond simply the question of FEMA. We are, like everybody else who buys things on the marketplace, relying upon confidence that these are fit for human use. We have these in inventory. We are going to test them. But I think we are going to be very hesitant going forward even with respect to mobile homes until we get some clear direction from the health authorities about what is a safe level for this kind of residence.

Senator COLLINS. Thank you. Mr. Secretary, I want to turn to the issue of State and local grants, and the State Homeland Security Grant Program. You had a chart up very briefly and said in your statement that part of the Department's rationale for slashing these programs so dramatically is that there is still billions of dollars in the pipeline. And, in fact, you go on to say that with Congressional approval of the fiscal year 2009 request, a total of \$13 billion would be in the pipeline for State and local homeland security needs.

I have to tell you that I think your chart and that statement are very misleading. It is my understanding that State and local governments have already obligated virtually all of the money that has been awarded by the Department from fiscal year 2002 to 2007. So even though technically the money hasn't been spent, it has been committed. This implies there is plenty of money in the pipeline to handle future needs. In fact, the money in the pipeline has been committed to specific projects and it simply hasn't been completely drawn down yet.

Secretary CHERTOFF. Well, I thought we were very clear in the chart to distinguish between money that was not drawn down but obligated and that which wasn't obligated. First of all, my point was not to criticize States and localities because it is appropriate not to draw down until you have actually acquired the material you are seeking.

My point was that these are not entitlements. They are not like something that is a recurring expense. They are designed to build capabilities, so that there is an enormous amount of actual capabilities that are due to come online—and the delay is not through anybody's fault, it is the normal process—but the capabilities of State and local governments are really going to be significantly increasing over the next year so that we are literally meeting needs in the pipeline every day.

Obviously, we want to continue to keep the money flowing, but we look at the fact that there has been, particularly in the last year, a significant increase. I think the rate at which we are funding, which is consistent with what we proposed last year, is a good rate. I can understand people would want more, but again, I have that pie I have to slice up and this seems to be a fair way to slice it.

Senator COLLINS. I just wanted my colleagues to be clear on this point, that money is committed, it is going to be spent according

to the States' homeland security plans, and it is not available for future projects and it does not mitigate, in my judgment, the need for an appropriate level of funding.

Let me just quickly go to one other issue. Yesterday, we heard from the Commission on the National Guard and Reserves, and the Commission was very critical of DHS for not yet implementing or promulgating the requirements for the 15 national planning scenarios, despite the fact that the National Guard is clearly a key responder in virtually all of those scenarios. What is the cause of the delay in fleshing out the requirements so that all those who are involved in responding under the 15 scenarios, and I commend you for developing the scenarios, know what their duties will be?

Secretary CHERTOFF. Well, let me make a couple of observations. I was a little surprised to read their comments because I don't think that the Commission ever spoke to me. I believe that then-Under Secretary Foresman testified before the Commission, but I think that was well over a year ago. And I think since his testimony, we have made a lot of progress on the 15 scenarios.

Now, we want to continue to move those and we have been working very closely with the Northern Command (NORTHCOM) in doing that. Part of the disconnect may be that the National Guard and NORTHCOM themselves are two separate entities and that we typically work with NORTHCOM directly in terms of planning. We have integrated planning at the Department now with the Department of Defense and we rely upon them to have the plans then integrated with what the National Guard is doing. So it is a little bit of a complicated process.

But one of the things we do mean to get done this year is to, if not complete, substantially complete most of these 15 scenarios and to do it joined at the hip with DOD, and I encourage you to ask General Renuart and Assistant Secretary McHale for their views on this, as well.

Senator COLLINS. Thank you.

Chairman LIEBERMAN. Thanks, Senator Collins.

As is our tradition, we will go in order of arrival. The next three Senators are Senators Voinovich, Coleman, and McCaskill.

Senator Levin, I know because I am a member of the Senate Armed Services Committee, that you have a hearing that you are convening soon. Do you want to seek the mercy of one of your colleagues to let you go ahead of them?

Senator LEVIN. If I knew which colleague would be the most merciful, I would. [Laughter.]

Chairman LIEBERMAN. Well, Senator Voinovich—

Senator MCCASKILL. He is my Chairman, too. I am definitely merciful.

Senator VOINOVICH. My neighbor from Michigan, I would be more than happy to— [Laughter.]

Senator LEVIN. I really appreciate that. I will just ask two questions.

Chairman LIEBERMAN. Go right ahead.

OPENING STATEMENT OF SENATOR LEVIN

Senator LEVIN. I really appreciate the generosity of the Chairman and everybody else here.

Going back to Senator Collins's question, it was because of the amount of money in the pipeline that you reduced your request for this year's appropriation. Is that accurate?

Secretary CHERTOFF. No. The reason—

Senator LEVIN. Why did you reduce this year's request?

Secretary CHERTOFF. We didn't—the request we made this year was exactly the same request we made last year. That was based on the level we thought was appropriate.

Senator LEVIN. It was below the appropriated amount?

Secretary CHERTOFF. Correct.

Senator LEVIN. All right. How much was in the pipeline last year at this time?

Secretary CHERTOFF. I don't remember that. It is probably a little less than now because I think the appropriations for 2008 came later in the year and also are a little larger.

Senator LEVIN. Did you use that amount last year that was in the pipeline to reduce last year's request?

Secretary CHERTOFF. Actually, I think we have been pretty consistent with our request, at least during my period of time here. What we have done, we have actually increased in some areas. We have tried to put a little bit more in the Urban Area Security Initiative Grants, but we have typically come in at a level that we think is adequate over a period of time.

Senator LEVIN. I am sure of that. My question was, though, did you reduce your request last year based on the amount of money in the pipeline?

Secretary CHERTOFF. No.

Senator LEVIN. That is the same logic. Why not?

Secretary CHERTOFF. Because my point on the pipeline is not to suggest that is why we reduce or add money. We don't do it based on the pipeline. It was to make the point that in terms of the visible output—the money is input and what matters is output—you are going to continue to see output based upon all the investment that has been made up until now. That was my point. It is not a rationale for adjusting the inputs.

Senator LEVIN. Thank you. I am going to try to get back for the balance of my time, but thank you and I will ask that the record be kept open for the submission of questions for the record.

Senator STEVENS. May I steal 30 seconds now?

Senator LEVIN. I thank my colleagues.

Chairman LIEBERMAN. I am sure that Senator Voinovich would give you at least 30 seconds, Mr. Appropriator. [Laughter.]

OPENING STATEMENT OF SENATOR STEVENS

Senator STEVENS. Mr. Chairman, I would ask unanimous consent to put my statement and questions in the record.

[The prepared statement of Senator Stevens follows:]

PREPARED STATEMENT OF SENATOR STEVENS

Good afternoon Secretary Chertoff. Thank you for testifying before us today about the Department of Homeland Security's FY09 budget.

Before I ask a few questions, I would like to comment on two important programs. First, the enhanced Loran, or eLoran system. I am pleased that DHS will begin implementing this important back up system to the GPS.

As you know, Alaska has many environmental factors that GPS cannot always support. eLoran provides first responders and others with the necessary back up system in these environments. It's an important safety measure, especially for Alaska, and I commend you for its implementation.

Second, I would like to commend FEMA for creating a new program that I believe will be an important tool in aiding many of Alaska's native villages suffering from severe erosion.

In October, I held a field hearing on erosion in Alaska. Senator Landrieu was kind enough to attend, and Susan Reinertson, the FEMA Regional Administrator for Alaska, testified at the hearing. She also had an opportunity to join Senator Landrieu and me on a visit to the village of Shishmaref to see first-hand the destruction they, and other Alaska villages are facing due to this erosion.

FEMA continuously pointed out that they did not have the authority to help communities prepare for future disasters, only to react when a disaster is "imminent" or after a disaster has occurred.

I am pleased to see that the budget includes \$200 million for the Disaster Readiness and Support Activities Program to assist FEMA in working with State and local partners in preparing for future disasters. Hopefully this can help villages in Alaska prepare before a storm hits, rather than spending more money reacting after the storm has already caused serious damage.

Senator STEVENS. Alaska is different from any other State. We have a Canadian system. We appear before our State legislature in joint session once a year. My day in the box is next Tuesday. I have sent you a series of questions and I would hope that you might be able to get me some of the answers before I have to make that appearance——

Secretary CHERTOFF. Absolutely. We will.

Senator STEVENS. Thank you very much.

Chairman LIEBERMAN. Thanks, Senator Stevens.

Senator Voinovich, thanks for allowing your colleagues to go before you.

OPENING STATEMENT OF SENATOR VOINOVICH

Senator VOINOVICH. Thank you, Mr. Chairman.

Secretary Chertoff, I want to take a moment to compliment you on the Department's work and strategic plan to assure a seamless transition. This is going to be a critical time for the Department as you pass the baton on to the next Administration and we are all concerned about that because of how important your Department is to our national security.

I commend you for working with the Homeland Security Advisory Council on what I would consider a workable succession plan. I think your plan is a model that other cabinet agencies should look to as they prepare for the upcoming transition. This Committee is very interested in this matter, my Subcommittee particularly. If there is anything that we can do, legislatively or otherwise, to support you, I want you to know I will do everything I can to help you and I know the other Members of this Committee will do the same.

As you know, I have been very interested in the Visa Waiver Program. I worked with the Department and the Committee to get legislation passed to modernize the program, which will enhance our ability to identify potential terrorists while improving our public diplomacy. We have a limited window of opportunity for this reform to become a reality so the question I have is whether or not the Department be able to meet the deadlines required by the legislation. When will US-VISIT and the Electronic Travel Authorization

system be fully operational? Do you believe that the five-person staff dedicated to this program is sufficient to get the job done?

Secretary CHERTOFF. It will, and this is actually a very high priority for the President, as well as for me. There are a couple of rules that need to get out in order to get this implemented and those rules are in the final stage of being issued. One element of the rule is getting US-VISIT exit for airports up and running. We can get that done this summer. There is adequate money in the 2008 budget to do the air exit piece and the Electronic Travel Authorization piece, and again, we are finalizing what is required for that, as well. So from a financial standpoint and a resources standpoint, there is no obstacle to our getting it done this year.

Senator VOINOVICH. The President's 2009 Emergency Management Performance Grants (EMPG) request is \$200 million. That is \$100 million less than the fiscal year 2008 enacted level. It seems to me inadequate, given the fact this program is the backbone of our Nation's emergency management system and fills an important need. In the last 6 months I have met with first responders in four cities in Ohio—Cleveland, Cincinnati, Columbus and Toledo—and they have indicated how important these grants are. Why is it that you have cut the budget by \$100 million?

Secretary CHERTOFF. I am going to sound like I am being repetitious, but we have kept on all these major programs the same funding request level we made last year. I know Congress enacted more, and when we put this budget together, we engaged in the very difficult process of making trade-offs with a limited amount of resources, albeit a more generous amount than we had last year.

Others might decide to put more money in another grant program or this one or might decide that we shouldn't perform a Coast Guard function or something else. We tried to pick a level of funding that we have historically thought was reasonable and appropriate, maybe not joyful for everybody, and to keep that going over the long run.

Senator VOINOVICH. Well, I can tell you that without adequate EMPG funding, first responders at the local level are not going to be able to get the job done that we are asking them to do. You can't have people double-hatted to do the kind of work that we want in our communities throughout the country.

Finally, I want to raise with you the issue of reconciling the differences between your Department and Government Accountability Office (GAO) on the metrics to judge the Department's performance on its your strategic plan. That is extremely important that agreement be reached about how we judge whether or not performance is continuing with the Department. Where are we on that and how important a priority is that for you?

Secretary CHERTOFF. Well, it is important. Paul Schneider, who is our Acting Deputy Secretary, is working with GAO and with people on the management side to make sure that we are capable of being as rigorous as possible in identifying what our benchmarks are so we have a way of measuring our progress. We are generally, I would say in the Department, putting GAO to one side—if I look back over the last 3 years, our capability and our use of metrics is probably 10 times what it was when I first came in. We are real-

ly, across a range of functions, much quicker and much more accurate now in measuring what we do.

Senator VOINOVICH. Well, it is really important that your work continues. It is one of the reasons why I support the concept of a Chief Management Officer with a term, to make sure that transformation really takes place. If we don't do this, God only knows when we will get the Department to desired operational static.

Secretary CHERTOFF. I agree.

Chairman LIEBERMAN. Thanks, Senator Voinovich. Senator Coleman.

OPENING STATEMENT OF SENATOR COLEMAN

Senator COLEMAN. Thank you, Mr. Chairman.

Mr. Secretary, this is the last time you will come before us to do a budget. Well, first of all, I want to start by wishing you a happy anniversary. As you noted, it is your anniversary. I will defer to your wife, Meryl, to wish you a happy Valentine's Day, but we will focus on anniversary.

Secretary CHERTOFF. And happy birthday, too. [Laughter.]

Senator COLEMAN. And I want to say thanks for two things. One, the focus on the border and the 19 percent funding increase, everything from fencing, vehicle barriers, additional personnel, I think it is important. We were unable to resolve and move forward on the issue of immigration. I think that is unfortunate. But first and foremost, the American public needs to understand that we understand that we have to control our borders.

I also want to express my thanks for the recent Western Hemisphere Travel Initiative (WHTI) implementation about which we have had a lot of discussion. I visited International Falls just a couple of weeks ago and there is a grace period now. The new law requires birth certificates, passports, and I found it operated very smoothly and personnel were very accommodating in working with folks who were not yet aware of the change in policy—the dual-identity requirement. So I thank you for moving forward with understanding in that case and hope we continue along that path.

And then the last thanks before I get to my concern has to do with the response to the flooding in Southeast Minnesota last year. I contrast that with what I think was one of the dark moments in government and that was the failures of Hurricane Katrina. I can still vividly remember sitting with my wife and her talking to me, kind of yelling at me, the Senator, there are folks standing there with the CNN or FOX reporter by the Superdome or on the highway and where is the government? I think you made a lot of changes there that reflected, then, what I saw in Southeast Minnesota. You were on the scene very early. FEMA Director Paulison was on the scene very early. I think the President dispatched FEMA even before there was the official declaration in the works and that was appreciated.

Obviously, some changes are personal. It is leadership that has been provided. My question goes to the structural changes then because I would hope that what I saw in Southeast Minnesota reflects a structural change, specifically in the area of transition for which you have been commended in other times, but I do have some concerns. I have reviewed some of the correspondence you

have had with Chairman Bennie Thompson of the House Homeland Security Committee in which there was a request to share documents and materials about the transition and you indicated that you were unable to do so at this time. I reflect upon what the Chairman spoke about in his opening comments, reflecting on al-Qaeda being targeted and focused on points of sensitivity. The Administration Transition Task Force specifically cites the transition period as one of those points, one of those moments.

And so from an oversight perspective, I would really like to know what we are doing. I would like to have a real clear sense of what we are doing and certainly would like to then have the information that at this point apparently cannot be shared.

Secretary CHERTOFF. Sure.

Senator COLEMAN. Could this discussion take place—is it classified? Is that what we are looking at—

Secretary CHERTOFF. I don't think it is classified. I think that we have gone up to brief and will continue to brief interested members on the transition. I can tell you generally, we had a number of objectives we wanted to achieve. For example, we wanted to make sure that we had in place a career person in the No. 2 or No. 3 position to manage the components and the major operating elements of the Department and who would continue on even after the presidential and political appointees had left. We have accomplished that. I think we have almost all those positions filled and cemented.

We wanted to issue our National Response Framework. We did that. We wanted to reduce to writing and memorialize a lot of the doctrine that we developed over the last few years and we are in the process of doing that.

I don't know that there is a single document to be furnished, but I would be more than happy to send the Deputy Secretary up with documents to brief you and any interested Member of the Committee about what we are doing because we are taking it as a point of pride to do a seamless handoff of the Department to the next Administration.

Senator COLEMAN. I would also be interested in the plans for transition communications between folks at the State and local level. They are, as my colleagues have indicated, an essential part of the fabric of homeland security, and I remember sitting there as a mayor at times and wondering, are we going to find out? Do you have a specific strategy regarding transition information at State, local, and tribal level?

Secretary CHERTOFF. We have been discussing this with our State and local counterparts, our Homeland Security Advisors. We will continue to keep them involved and give them visibility to what we are doing. I also hope that if the next President is able to identify who the senior leadership is going to be in Homeland Security at an early enough stage, that we can actually bring them in and get them in an exercise, introduce them to all of the Homeland Security advisors and get them as much up to speed because I think you are quite right. I mean, I came in in June 2001, and when September 11, 2001 came, there were only a very few of us at the Department of Justice and we were really—of course, it was brand new for everybody, but we didn't have fully populated agen-

cies and at least we had the advantage of a very mature department. So we are going to work very hard to make sure we give visibility on this as we continue to implement this plan this year.

Senator COLEMAN. I appreciate it. You really do deserve recognition for the fact that there hasn't been a successful attack on American soil. It is not just by the grace of providence, but by a lot of hard work and sometimes I think we don't reflect on that enough, so I do thank you for that.

Secretary CHERTOFF. Thank you. This Committee has really been a major contributor in strengthening this country's capability to keep us safe, so thank you for that.

Senator COLEMAN. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks very much, Senator Coleman. Excellent questions. Senator McCaskill, you are next.

OPENING STATEMENT OF SENATOR MCCASKILL

Senator MCCASKILL. Secretary Chertoff, thank you for your service. I don't know how many more times you will be before this Committee before the end of the year, but I think you have worked very hard on behalf of the American people and we all thank you for that service. Public service, I think, is harder than it looks from the outside and I think your job is particularly challenging.

I was a little taken aback by your comment earlier in your testimony about trailers and mobile homes that maybe you would get out of the business of trailers and mobile homes, which is a little frightening to me considering that you are emergency relief and that is a pretty integral part of emergency relief. It is a little bit like saying if you buy a car and it is a lemon that you are going to swear off buying any more cars the rest of your life. It seems to me that the more prudent course would be that you look to the manufacturer of those trailers and hold them accountable for providing a defective product to the citizens of the United States of America.

Secretary CHERTOFF. Well, I am quite sure that once we fully understand the dimensions of what we have got, that we will certainly use all of our legal remedies. But let me take a moment to just follow up with you.

You are right, it is a pretty striking statement. Here is what the problem is. There is no national standard on formaldehyde that I am aware of for people who are living in trailers or mobile homes. I don't think, by the way, the trailers are meant to be long-term housing. They are not designed to be that. No one has been able to inform me what is safe for the average person, what is safe for people with specific kinds of conditions. If there is an agency in the government or if it is Congress that is capable of making a scientific determination about what is the level that is acceptable and what is the level that is not acceptable so that that standard can be imposed on the industry, then, like any other consumer, we could go back into the marketplace.

But right now, if we had an emergency tomorrow and you said to me, we need to have trailers, I would not be able to look you in the eye and say these trailers are safe. I am not saying they are unsafe. I just don't know the answer. And I haven't been able to

find anybody who has told me what is the safe level of parts per million or parts per billion that allow us to have someone reside in a trailer.

Now, we could go on a “buyer beware” theory, where we tell people—and this, I would be prepared to do, to say to people, we are going to give you money as part of your Stafford Act money. If you want to buy a trailer, knowing the risks, that is your choice. But for us to put trailers out there and say to somebody, now given what has emerged today, we are encouraging you to come into a trailer, I don’t know how I could do that in good conscience.

Senator MCCASKILL. Well, I think the CDC did say that certain levels were safe and unsafe and they said it in their report today and I think that is something that you could embrace. I know there was a lawyer in June 2006 at FEMA who actually said in writing, don’t test these things because once we test them, we are going to be responsible. It seems to me the whole timeline of these toxic trailers is very troubling in terms of FEMA taking primary responsibility, and I will tell you that we know these are unsafe trailers now. We know that many of them are not healthy for the people who are living in them. And we know who manufactured them and who sold them to the government.

Secretary CHERTOFF. But I have to tell you, Senator, some of the trailers were purchased off lots. I mean, we authorized governors to purchase trailers off lots. Moreover, I was surprised to learn that mobile homes are showing similar levels.

So here is my problem. I don’t know the answer. Now, maybe when I sit with CDC, they will give me more enlightenment. But I would be very hesitant to say that I could tell you what a safe level is for a trailer or for a mobile home. In the absence of some authoritative statement, I guess, my more cautious position is to say that while we will certainly allow people to buy homes themselves, I would be reluctant to furnish them.

Senator MCCASKILL. Well, I will pose a lot of specific questions about the accountability on these trailer purchases and this timeline of how it was dealt with to you in writing.

I also want to pose some questions to you in writing about the fact that the IG budget has gone down in this year’s budget. I am always concerned when the Inspector General’s budget goes down in any agency since I think that is a lifeline for taxpayers and for the legislature in terms of looking at that accountability piece.

Secretary CHERTOFF. If I can just interject there, actually in 2008, our base budget was \$93 million and this year we are actually asking for \$101 million. The difference is last year, under the Disaster Relief Fund (DRF), an additional \$16 million were provided on an emergency basis. If in 2009 that same kind of emergency money were required, it would come under the DRF.

Senator MCCASKILL. Well, I know we still have problems with the way the emergency money has been spent. Trailers are a good example. So I think the IG needs to stay healthy.

Since I don’t have a lot of time left, I would just like to express my disappointment in looking at the 12 budget points that you asked for in enforcement. There is none of those under Immigration and Customs Enforcement (ICE) that deals specifically with employer enforcement. And I know you cited 93 cases of employers

being arrested in this entire country, in light of the thousands and thousands and thousands of employers that are knowingly hiring illegal immigrants. Every minute of this hearing, someone is hiring an illegal immigrant knowingly.

These are not complicated cases, Secretary. They really aren't. Bar owners get cited all the time for letting kids in the door with a fake I.D. These are false documents. Many of them are false on their face and it is obvious to the employer they are false. I do not think there has been a concerted effort to prioritize the enforcement against the employer as opposed to the enforcement against the illegal immigrant, and that is, in fact, the root of this whole problem.

Secretary CHERTOFF. Well, I agree with you that we need to crack down on employers. Of course, one of the things we have tried to do is get our "no match" rule out, and the whole no match rule, which the employers sued to block and we are fighting in court now, was designed to say to employers that when they got, for example, a no match letter, they were on notice and they had to take action because one of the defenses that we hit is under the current rule, there is actually an ambiguous signal to employers about whether they can pursue discrepancies.

So I know that the head of ICE is committed to this. I do have to say this. I mean, I have personal experience in doing these cases as a prosecutor. They are actually tough because the regulations up until recently have been so complicated and there is so much room for a clever lawyer to hide his client that they actually are time consuming and difficult. If we can get this no match rule out of the courts and we can get it applied to the employers, I will guarantee you it will make it a lot easier to make these cases.

Senator MCCASKILL. Well, I hope you are right, but I will tell you, knowing the U.S. Attorneys as I do, and I was just a local prosecutor, but if you give me 10 cases and 10 juries, I think you would be surprised how often they would convict. I just don't think very many of these cases are being put in front of juries. I think there is maneuvering and finagling among lawyers and U.S. Attorneys and plea bargains. But if you take these cases in front of 12 Americans with false documents on their face, I think you would be surprised how often you would get 12 people to believe the employers are guilty beyond a reasonable doubt.

Secretary CHERTOFF. I am happy to take as many to a jury as we can. As I said, we had the experience some years back of doing a case which I thought was actually pretty much of a slam-dunk against a major employer where we had actually gotten pleas, and to my intense surprise, the prosecutor was not able to get a conviction in front of the jury. I actually was of a mind to think it was pretty easy. Sometimes—and I have fought a lot of jury cases—sometimes juries surprise you—

Senator MCCASKILL. Well, they do—

Secretary CHERTOFF [continuing]. So we are going to keep trying.

Senator MCCASKILL. They do. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you very much, Senator McCaskill.

Speaking of prosecutions, we turn now to the former great Attorney General of Arkansas, Senator Pryor.

OPENING STATEMENT OF SENATOR PRYOR

Senator PRYOR. Thank you, Mr. Chairman.

Secretary Chertoff, let me start on a note of good news, and that is I have been very pleased with FEMA's response to our tornadoes last week in Arkansas. On Friday, I had the honor of flying around with the governor, Senator Lincoln, and the lieutenant governor and we actually went down that entire 120-mile swatch of land where that tornado just ripped through our State and saw the destruction and it was very powerful. Director Paulison came and joined us on that trip and FEMA has been very good, and the Arkansas Department of Emergency Management has been very pleased. There has been a lot of communication back and forth. So that is good news and it appears that is working the way it should, so I want to thank you for him and his focus and his attention there.

I do want to ask about the trailers in a different way. With a previous question, you basically pronounced today that there will be no more trailers provided by FEMA. I can understand your hesitancy about trailers because you just don't know some of the medical risks associated with them, but one of the things that concerns me about a blanket pronouncement like that is in the Post-Katrina Act, we asked FEMA and DHS to get us a disaster housing strategy, and that was due in July 2007. We have never received that from your Department. Is there any explanation for why we don't have the disaster housing strategy, and also why you think today you can say trailers should not be an option when you don't even have a strategy?

Secretary CHERTOFF. I can't answer for you exactly where the strategy is. I can get back to you on that.

I can tell you the issue with the trailers, and I am going to separate trailers from mobile homes, although they are often confused—

Senator PRYOR. Yes.

Secretary CHERTOFF. I am suspending judgment on mobile homes. The problem with trailers is this. In theory—let us put formaldehyde out of it. If you get a trailer and you put it in your driveway while you are rebuilding your house and the thought is you are going to be using it for a few months while you rebuild, it may be, even putting to one side the health issues, a reasonable short-term solution.

But everything I have heard and observed about trailers put in parks is that it is merely a way of kicking the can down the road until the inevitable day when you need to move people out, and it becomes more painful as you wait. Now, I was told that soon after I came on board, that there was a real concern about trailers. People were still living in trailers from Hurricane Andrew over 10 years ago.

Now add on top of this the issue of formaldehyde. If you said to me, you have got to give people trailers, I would say to you, I can only do what everybody else in the country does. I buy them in the open marketplace. There is no standard or agency that has set a safe level. I accept that there are people who have different sensitivities. I can't tell you whether they are safe or not. So my default position has to be, if I have a serious doubt about the safety

of something for long-term living, I can't provide it. Now, you are free to buy it. It is a free country. But I don't see how I could, in good conscience, in light of what I have seen over the last 6 to 9 months, give people trailers and say, go live in this.

Senator PRYOR. Well, I understand your discomfort with trailers right now, and again, I can't speak for the Committee, but I would feel more comfortable if you made that decision as part of a disaster housing strategy, which again is required by statute and is already 7 or 8 months late, and those decisions would be made in a comprehensive fashion, not in a piecemeal fashion. So I would encourage you to get back with your people on where that disaster housing strategy is.

Another thing I want to follow up on is Senator Voinovich's question of where you are on the Emergency Management Performance Grants. You are recommending a reduction in the money, and I just want to be clear on that. Are you recommending to us that we spend less on EMPG grants this year than we did last year?

Secretary CHERTOFF. We are recommending the same amount that we recommended last year. Now, last year, Congress appropriated more money, but the level that we thought was appropriate last year in terms of capability building is the same level we are recommending this year.

Senator PRYOR. Right. So in other words—I am not trying to put words in your mouth—but you are recommending we spend less on EMPG grants this year as compared to last year?

Secretary CHERTOFF. I am giving you the same recommendation in both years. I recognize Congress disregarded the recommendation last year. There is perhaps a disagreement about the appropriate level. In the end, the appropriators have to decide if they are going to raise the level of these grants, what are they going to cut? We have come up with our view of the proper balance of what are admittedly a lot of deserving places to spend money. If the appropriators disagree and want to allocate it differently, then we will have to dialogue on that.

Senator PRYOR. Well, I guess that begs the question—are you forecasting fewer storms, fewer floods, fewer tornadoes? Is our terrorism preparedness—

Secretary CHERTOFF. No, I am saying that preparedness is covered in a lot of ways, some of it covered in grants, some of it covered in kind, that these are capability-building grants, meaning that if we give you money for planning and you build the plan, then the plan is built. You don't have to redo it the next year, although you probably need to tune it up a little bit.

So as with any capability grant, let us say where you buy equipment, you should only be buying the equipment once. You shouldn't be buying the same equipment every year unless you are getting defective equipment. So it doesn't surprise me that you would expect to see, as our investments in homeland security grow, and I think we have spent up to \$23 billion over the past several years, I would expect to see a lot of capability out there.

Senator PRYOR. Mr. Chairman, I am out of time, but I must conclude by saying that I do share Senator McCaskill's concern about cuts to the Inspector General's Office because those IG offices give the internal accountability that every department needs, every

agency needs. So I heard your explanation on that, but I think we need to look at that closer and make sure that the IG has sufficient resources to do what it needs to do.

Chairman LIEBERMAN. Thanks, Senator Pryor. I agree with you totally, and Senator McCaskill, about the IG Office.

Senator Landrieu, you are next. Thank you for being here.

OPENING STATEMENT OF SENATOR LANDRIEU

Senator LANDRIEU. Thank you, Mr. Chairman. I am going to start by asking for a little bit of a grace period. I know we are in a round of 6 minutes, but I actually have several very important questions for the Secretary that are very troubling.

First of all, I know that you are aware that I am holding the confirmation of Admiral Johnson, the second in command at FEMA. I am assuming that you know this gentleman and have met with him.

Secretary CHERTOFF. I have worked closely with him for a considerable period of time.

Senator LANDRIEU. OK. And I understand from Mr. Paulison that he comes highly recommended from within the Department.

Secretary CHERTOFF. He was a superb Coast Guard officer. I have read his fitness ratings, not going back to when he was a junior officer, but in flag rank, and he consistently was rated outstanding by his superiors, and my observation of him in the time I have worked with him completely supports that assessment.

Senator LANDRIEU. OK, and this is my dilemma. I am aware of his credentials. I am also aware that Director Paulison is a very able and very genuinely nice man and a fairly able leader. The problem is, they seem to be attached to an agency which is under your jurisdiction that is virtually dysfunctional when it comes to disaster-related issues. I can't speak to the credibility of your work regarding border security or transportation, but I most certainly can speak to the level of incompetence relative to disasters.

So I have put his nomination on hold, and I have sent a letter and I want to just review the five reasons why, because we have several billion dollars still in the pipeline that the Administration that you represent claims has been sent to the people of the Gulf Coast, and technically, that is correct. It is impossible for them to receive the money. It has been sent, but it is impossible for them to receive the money unless you, Director Paulison, or Admiral Johnson make some changes, and there are five that I have recommended in my letter. So I want to ask you on the record if you will support one or all of these.

Do you support an independent appeals process for public assistance projects? You must be aware by now that this is the No. 1 barrier to the people of the Gulf Coast receiving their money that they believe they are entitled to to rebuild fire stations, police stations, schools, libraries, etc., because your employees are the ones that recommend a reimbursement number. But the local officials dispute that number, and there is no one, no third party, no independent arbitrator to make that decision. So we have just gone round for round. Will you support an independent review or an independent arbitrator, and if not, not only why not, but how are you going to untangle it without such a person?

Please be as specific as you can be.

Secretary CHERTOFF. I will be specific. I discussed this with Don Powell, Federal Coordinator for Gulf Coast Rebuilding, last year, and I said to him, why don't you tell the individual parishes to put together a list of the 6 to 10 most significant projects where they feel there is an obstacle, that they are not getting what they are entitled to, and there are a couple possibilities.

One is that there is a legal issue about whether they have met the legal standard, and as to that, that is not a question of arbitration, that is a question of we have got to make a decision about what the law is. But there is also the possibility that there is a genuine dispute, and in that case I said I would be prepared to have us agree on selecting an independent third party to make an evaluation factually about whether the number that they were coming in with was too high.

Senator LANDRIEU. So you will support such a process?

Secretary CHERTOFF. I have already supported such a process.

Senator LANDRIEU. OK. That helps in that way.

The second is, it took this Committee, over the objections, I might add, of this Department, to pass and the President has signed, over the objections of your Department, a procedure to allow us to aggregate, if you will, the money that you owe us, or the Federal Government owes us, to reconstruct schools, and it was met when that law was signed by the President with a great hurrah because there were over hundreds of thousands of children who are still, because of the incompetence of this Administration, without adequate school buildings. So that was a significant victory.

Would you consider allowing this process to be used for other public buildings? In other words, instead of building one fire station at a time, if we need to build 14, would you consider using the model that we have used for schools to push that forward?

Secretary CHERTOFF. Anything that is lawful that will expedite this process, I will consider.

Senator LANDRIEU. Would you support a change to a law if you don't think the law is written correctly or if the law is not providing relief?

Secretary CHERTOFF. Yes. Let me go further than that, Senator. I think that, and I have said this publicly before, the dimension of the challenge in what is being requested in connection with the Gulf Coast is of an order of magnitude that is vastly different from the normal disaster mechanism for which the Stafford Act applies, and what you describe as incompetence, which I disagree with, is an agency that is struggling between two mandates, a desire to comply with the law so that they later don't get crucified by GAO and the IG for violating the law, and a set of circumstances that don't fit within the law.

So rather than attack it piecemeal, and this goes back to some of the "lessons learned" that the White House issued a couple of years ago, I think we should take a more general look at whether the way we approach a reconstruction effort of the magnitude you are talking about should be taken out of the normal model rather than trying to take the normal model and force it to fit something that it wasn't designed to fit.

Senator LANDRIEU. That could be a subject for another discussion, and I would be inclined to accept that except for this. Except for when I or other Members of this Committee have pointed out to you and to your Department where the law doesn't fit and where it could, if it were changed, work better, you have consistently objected.

Secretary CHERTOFF. I think——

Senator LANDRIEU. So if the answer is that we can't fix anything until we can fix it all, the people of the Gulf Coast are going to be very disappointed in that. Let me just finish——

Secretary CHERTOFF. No, I——

Senator LANDRIEU. We cannot wait to fix the entire program when there are pieces that so obviously are crying out to be fixed. So while I don't disagree with you, let me say that ultimately the whole law needs to be rewritten, but the people I represent can't wait until that happens.

Now let me move on to the next point. The next point is this. I just received a letter signed by you. You wrote it on January 30. This is again another thing that your Department has stood in the way of. This Congress appropriated 2 years ago \$1.2 billion for hazard mitigation, which is 7 percent of the total that went to Louisiana, and because we were shortchanged by the Administration and by Congress under Republican control on our Community Development Block Grant, we thought, OK, it wasn't right to shortchange Louisiana, but we could maybe use this \$1.2 billion that Congress has already given us, stop whining, stop complaining, let us just move on and make lemonade out of lemons, lift ourselves up by our bootstraps kind of attitude that is preached to us all the time.

So we thought, OK, we have \$1.2 billion. Let us just ask the Homeland Security Department if they would let us use it to elevate people's homes because that is clearly in the law that hazard mitigation can be used to elevate people's homes. Do you know what your letter says? I am sure you didn't write it, but you signed it. It says, "The HMGP Program, Hazard Mitigation Program, is to remove at-risk property and people from harm's way."

Can I read to you what the FEMA website says, because I disagree with that. That is not true. That is written in your letter. That is not the truth. The truth is this. It is found on the FEMA website. "The purpose of the HMGP is to reduce the loss of life and property due to natural disasters and to enable mitigation measures to be implemented during the immediate recovery from a disaster."

So Mr. Chairman and Senator Collins, I have 55,000 people who are asking Secretary Chertoff to allow them to raise their houses a foot or two or three so if the levees ever break again—the Corps of Engineers levees that broke, and put 20 feet of water in their houses—or if the pumps don't work and the water rises, they would be out of the water. Now, we know if the levees break nothing is going to help them because it is 20 feet, but in a rainstorm it would help. The Secretary says it is against the rules to use the money like this, so I have suggested we change the rules, but then he is against changing them. So please take one minute to clarify.

Secretary CHERTOFF. Well, I——

Senator LANDRIEU. Do you not think people should raise their houses?

Secretary CHERTOFF. No. Not only are we prepared to support people raising their houses, when an issue was raised a few months ago about people who went ahead and did it without getting advance authorization, I directed that we use that money to allow them to be reimbursed for the hazard mitigation measures that they took.

Now, I think the letter you are referring to responds to a request to use the money generally to support the Road Home Program, and that is a different issue—

Senator LANDRIEU. No, it is to reimburse people to raise their homes as technically part of Road Home, but it is complementary to Road Home.

Secretary CHERTOFF. Well, but this is where we get into issues where I have to say respectfully that giving a blanket “yes” answer will with absolute certainty result in a GAO report or an IG report in about a year that will say that we violated the rules. We are prepared to be flexible in letting people use money for mitigation, but that doesn’t mean we can just fork the money over based on someone saying it is going to be used for this.

So I am more than happy to work with you within the limit of the law to satisfy what you want to satisfy in terms of mitigation, but with that standard—

Senator LANDRIEU. Mr. Chairman—

Chairman LIEBERMAN. Senator Landrieu, can I ask you a favor? I don’t know how many more questions you have. A vote just went off. Senator Akaka hasn’t had his first round. If you have more questions, I am prepared to come back after the vote.

Senator LANDRIEU. Thank you. For the final thing I will say on this, I will come back.

Chairman LIEBERMAN. OK.

Senator LANDRIEU. You don’t like the law the way it is. You think that this is against the law, yet you won’t let us change it until we can rewrite the whole statute.

Secretary CHERTOFF. No, I am—

Senator LANDRIEU. I rest my case. Thank you.

Secretary CHERTOFF. If I could just answer that, I don’t think I have quite said that. What I have said is you can’t look at a single piece of this in isolation. Now, I am willing to sit down and talk about how we might more generally deal with the problem so we don’t bump into this problem each time. I am also prepared to look at individual suggestions.

But, the bottom line is this. The poor people who work in this agency are put in a terrible position. Over the last 2 years, they are asked to bend the rules, and they often do bend the rules, and then invariably they get crucified by auditors because they bent the rules.

So what I am suggesting is this. Let us try to change the rules, but do it in a way that (A) is transparent and addresses all of the dimensions of the problem, not just fiddling at the edges, and (B) lays forth for the American public, if we are going to spend money on reconstructing the Gulf Coast, we ought to be clear about how we are going to do it. And I am the first person to agree that the

normal model of a disaster probably doesn't fit here. But instead of putting us in a position of tweaking one thing at a time with a whole lot of unintended consequences, let us sit down and figure out what we can do to move this process forward.

Chairman LIEBERMAN. Thank you. Senator Akaka.

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. Thank you very much, Mr. Chairman. I ask that my full statement be made a part of the record.

[The prepared statement of Senator Akaka follows:]

OPENING STATEMENT OF SENATOR AKAKA

Mr. Secretary, I want to welcome you back to the Committee this morning as we discuss the President's FY 09 Budget for the Department of Homeland Security.

I want to commend you on your effort since your last appearance before this Committee to discuss the budget. The Department is making progress to put in place strong leadership that can mold together more effectively the various agencies and components that comprise DHS. Although I continue to have differences both with the Department and the Administration's priorities as reflected in the FY 09 budget proposal, I think we both recognize that the Department of Homeland Security is a work in progress. I want you to know that I appreciate your efforts at improvement.

For example, we all recognize that transition planning will be a critical function of the Department this year as you prepare for a new Administration. The Office of the Chief Human Capital Officer has taken some important steps to making that transition as smooth as possible. I will continue to monitor that progress through the Subcommittee on Oversight of Government Management which I chair. Senator Voinovich and I have a keen interest in making certain that you have the support you need to make that effort work.

I also want to single out another important aspect of the President's budget. I am pleased to see a significant increase over FY 08 levels in the budget request for the Under Secretary for Management and a commitment to improving human capital management and training. The Department is wise to focus on morale and other issues raised by employees in the 2006 Federal Human Capital Survey, which ranked DHS near the bottom in employee attitudes and views compared to other federal agencies. Prioritizing training, improving diversity, and using veterans preference to attract new talent are good areas to start addressing the shortfalls of the Department.

I am very interested to see the Department's plans to improve the diversity of DHS across all components and throughout all levels and to attract the talented pool of veterans returning home from the war in Iraq. The Department will function best if it draws upon the experience of our troops and reflects our Nation's diversity.

However, I am concerned that the budget does not provide an adequate reflection of the real dollars to be spent on management and workforce training. Furthermore, the Department continues to move forward with a pay-for-performance component to the Human Capital Operational Plan, a revision of the MaxHR system, with which I continue to have many concerns.

I would also like to underscore my support for the internship program being developed by the Office of the Chief Procurement Officer. This is an innovative program that I encourage other departments in the federal government to adopt. In addition, I hope consideration will be given to expanding it to a summer program for undergraduates. The earlier we can attract the next generation of workers into the federal government the better. I can think of no better way than to appeal to them while they are still in their formative educational development in college. In addition, we must continue to ensure that the existing contract specialists, including program managers, are trained adequately and that they utilize best practices to ensure better acquisition outcomes.

Indeed we should not limit such innovative programs to just the acquisition workforce. There is a need across the Department to attract and retain its workforce. For example, while it is admirable that the Department is seeking to provide opportunities for TSA employees in Customs and Border Protection (CBP), it means that gaps in TSA need to be constantly filled. The Department must do a better job of resolving workforce problems without creating new issues.

Last year, a Government Accountability Office (GAO) report revealed that CBP was understaffed by thousands of officers. Many locations were losing staff faster

than they could be hired. As a result, officers were being forced to work extensive overtime, which contributed to fatigue and high turnover. During a hearing I chaired last year on the GAO report, all of the witnesses agreed that CBP's recruitment and retention efforts were harmed by the agency's inability to provide CBP officers with law enforcement officer benefits. Fortunately, Congress granted those benefits in the FY 08 Omnibus Appropriations Act and provided initial funding for implementation.

Less than two months ago, President Bush signed those benefits into law. Now the Administration wants to repeal them. CBP officers receive law enforcement training, they carry firearms, and they regularly make arrests. The Administration's proposal to strip officers of law enforcement officer benefits is an example of how the Department needs to change its policies to attract and retain employees. It is my strong opinion that CBP officers deserve the same benefits as other law enforcement officers, and I intend to work to ensure that they receive them.

Until the Department addresses its human capital problems, it will continue to rely too much on outside contractors to conduct functions that I believe are essential government services. I think you are making progress in moving to increase the number of full time employees and in reducing the overall contractor workforce, but much more needs to be done. Currently the Department does not track the number of contract workers that are in place making it difficult to develop a realistic plan to reduce its reliance on contractors. Contractors cost the taxpayer more than federal employees and carry a hidden cost of reducing the institutional memory and loyalty to the Department which are essential ingredients to DHS's long-term success.

Also critical to DHS's success is the consolidation of activities in a central facility. I am pleased to see that the Department is committing \$120 million to an overall pool of funds in conjunction with General Services Administration (GSA) to consolidate DHS headquarters at the St. Elizabeths facility in southeast Washington. This will go a long way to bringing the Department together as a cohesive unit and will provide a boost to the overall economic development of the District's Ward 8. I look forward to seeing more plans for how the money will be spent in the coming year and what goals the Department has laid out for its completion.

In regards to other areas of the Department, I would like to underscore the innovative approach to guiding investments in the Science and Technology Directorate (S & T). Admiral Cohen's approach to developing an investment portfolio for the Department will benefit the country. My only concern is that I believe that the functions of the Domestic Nuclear Detection Office (DNDO) should be brought under S & T to ensure that same rigorous technology assessment is being brought to DNDO's operations. I support placing a priority on nuclear weapon detection, but I also believe that the most effective way for developing counter-technologies is through the same strict business model that is being applied in S & T.

It is said that you can tell an individual's priorities by looking at their checkbook. Well, the President's budget for FY 09 gives a clear sense of the Administration's priorities.

It is clear that the Administration does not believe REAL ID is a priority, despite claims to the contrary. The FY 09 budget request continues the tradition of not properly funding this project. While I have my own concerns about funding a project that risks the privacy of millions of Americans, I believe that if DHS wants REAL ID, then it must not only address serious privacy problems with the program but also provide states with the funding to implement it. Asking states to use part of their homeland security grants, which are already dedicated to other projects, or setting up a grant program that does not have any REAL ID designated funds is not the way to encourage state participation. In light of this proposal, a more appropriate use of funds would be to increase the number of TSA screeners at airports to avoid travel delays when states are unable to comply with REAL ID.

I share the concern of my colleagues with the Administration's proposed budget cuts for key homeland security grant programs. The President proposes cutting State Homeland Security Grants by \$750 million, Port Security grants by \$225 million, and Rail and Public Transport Security grants by \$190 million. In addition, the budget again makes huge cuts to the Assistance to Firefighters Grant (FIRE) program which provides federal grants directly to local fire departments and Emergency Medical Services (EMS) organizations to help address equipment, training, and other firefighter-related and EMS needs. Specifically, the President's budget cuts funding for the FIRE program by nearly 50 percent from FY 08 levels, down to \$300 million, and proposes eliminating the firefighter staffing program.

Similarly, the budget proposes a \$7.5 million decrease in funding for Urban Search and Rescue task forces, despite the critical need for them in the aftermath of an attack or natural disaster. These task forces have been designated by DHS

to provide specialized assistance after buildings or other structures collapse. The task forces work to stabilize damaged structures, locate and free victims, identify risks of additional collapses, and meet other needs at disaster sites.

Last year, this Committee worked hard to ensure a strong authorization for the all-hazards Emergency Management Performance Grant Program (EMPG). Disasters occur every day in this country as evidenced in last week's tornadoes. EMPG represents the only all-hazards preparedness funding in the Department. There is an annual shortfall of \$278 million to this program and states are over matching the federal government by at least \$100 million each year. The current authorization is for \$535 million and \$300 million was provided last year; yet the Administration is proposing a \$100 million cut to these grants. I strongly believe that these programs produce the most bang for the buck.

I am also concerned that the value of mitigation programs is ignored. The Multi-Hazard Mitigation Council found that every federal dollar invested in disaster mitigation reaps \$4 in cost savings. Despite this, the President's budget proposes to cut pre-disaster mitigation by more than half, from an enacted amount of \$114 million in FY 08 down to \$75 million for FY 09, which is less than the enacted FY 07 amount. I urge my colleagues to oppose cuts to this program and support its re-authorization this year.

These are just a few of the vital programs being proposed for cuts this year. For example, the President proposes \$387 million for flood control projects specifically authorized by Congress, a cut of more than one-third from the FY 08 funding level, and the budget again seeks to eliminate funding for the Metropolitan Medical Response System in FY 09. The Administration proposed that this program be eliminated last year, but Congress turned back this effort, instead funding it at \$41 million for FY 08.

If this is a message budget, I am not certain what message the Administration was trying to convey with its recommended program cuts. If the message was one of frugality, I suggest that some of the cuts could have come from some of the program areas whose deployment is entirely dependent on the successful development of questionable and unproven technologies. SBInet is a case in point. CBP awarded Boeing a \$20 million contract to build eight integrated camera and radar towers for border protection in Arizona. The project has been plagued by delays, as well as technological and operational problems. Yet, the Department appears poised to accept the final project. Despite the shortcomings of the first part of the program, the Department has begun awarding Boeing a series of follow-on contracts without any new competition. I fear that the Department is moving forward with an unproven system without adequately defining its contract requirements and without providing enough oversight to improve future performance.

Again, my welcome to the Secretary and I look forward to his presentation and response to our questions. Thank you Mr. Chairman.

Senator AKAKA. Mr. Secretary, I want to add my welcome to you to this Committee. I also want to commend you for progress you have made in putting in place strong leadership that can bring together more effectively the various agencies and components of DHS. I think we both recognize that more needs to be done. However, I want you to know I appreciate your efforts at improving the Department, and I am very interested in these five goals that you have.

I do have some concerns. Along with many of my colleagues, I am strongly opposed to cuts to the grant programs at DHS, and I believe we need to focus, and you have it in here, on building State and local capabilities, and let me give you an example of why that is really necessary.

For example, several days ago, a child exposed to measles in a San Diego clinic traveled to Hawaii, spreading the disease even further. By the way, the outbreak had originated in Switzerland. This incident underscores in no uncertain terms the need for adequate funding for pandemic disease preparedness and responses. Yet the fiscal year 2009 budget request recommended cutting funding for upgrading State and local capacity to respond to bioterrorism and other public health emergencies by \$136.6 million.

I am concerned that the budget does not reflect the need for more to be spent on management and workforce training, and I believe prioritizing training, improving diversity, and using veterans preference to attract new talent are good areas for addressing human capital problems in the Department.

Mr. Secretary, DHS's budget submission includes a small increase for the Under Secretary for Management "to provide for continuity throughout the transition process." I have been very concerned about DHS's readiness for the upcoming transition, which will be its first. Will this small increase be enough to ensure a smooth transition, despite the challenges the Department already faces from a management perspective?

Secretary CHERTOFF. Well, thank you for the question. As I have said to Senator Voinovich and Senator Coleman, our transition planning is much broader than just this reflected in this small increase because it runs across what we are doing throughout the entire Department to put in place in the No. 2 or No. 3 positions career people who will be the continuity after the presidential and political appointees have gone, plus what we are doing throughout all of the agencies to reduce to written form the planning, the doctrine, and everything that has developed over the 5 years.

So I think that this is a piece of the puzzle, but it is not the entire puzzle, and I am more than happy as we progress this year to keep this Committee informed about what we are doing with transition planning because I agree with you, it is very important that we have a seamless handoff as we move into next year.

Senator AKAKA. Two months ago, President Bush signed into law provisions that granted law enforcement officers' benefits to Customs and Border Protection officers. CBP is starting the implementation process for those benefits, and these benefits will help CBP address its serious shortfalls in CBP officer recruitment and retention. Yet the Administration is proposing to rescind those benefits in the next fiscal year. How do you justify proposing to take away benefits that CBP officers have just been promised?

Secretary CHERTOFF. Well, first let me say that I think the CBP officers in question perform an outstanding and very necessary service of helping us to secure our border. These are, of course, the inspectors, not the Border Patrol, and they deserve all of our support.

I think in this particular case, the Administration consistently opposed extending these benefits, frankly, on budget grounds. To come back to my initial mantra, there are many things for which one could make quite a good argument, but there is a limited amount of funds, and particularly when they are personnel funds, they carry on indefinitely so there are tough budget decisions that are made.

Senator AKAKA. Well, Mr. Chairman, my time has expired. I will wait for the second round.

Chairman LIEBERMAN. Thanks, Senator Akaka—

Senator AKAKA. Thank you.

Chairman LIEBERMAN [continuing]. And thank you, Mr. Secretary. We are going to go and vote. We will be back probably within 15 minutes and have one more quick round of questions. Thank you.

The hearing will stand in recess.

[Recess.]

Chairman LIEBERMAN. The hearing will come to order.

Thanks, Mr. Secretary, for your patience. I wanted to ask you a few questions about border security, which obviously is much on the minds of the American people, and I want to invite you to speak a little more about this chart,¹ which reports that the apprehensions are down 20 percent nationwide from fiscal year 2006 to 2007, down from 1,089,000 to 876,000. It looks like the numbers for the first quarter of fiscal year 2008 suggest an even lower number in the full year 2008.

Obviously, we don't know how many are coming over illegally, but we do know how many apprehensions there are. So explain why the reduction in the number of apprehensions suggests that there are also fewer people coming over illegally, and though I know we can't know the number of illegals, what are the latest estimates about how those trend lines are going?

Secretary CHERTOFF. As you observe, first of all, we estimate, and these are really estimates, that roughly 40 percent of the illegal workers or illegal people in this country come in through overstays. That is to say they have visas and they never leave. So this figure does not address that issue. This figure addresses the people who are coming in between the ports of entry, illegally sneaking across the border.

Chairman LIEBERMAN. Right.

Secretary CHERTOFF. We have talked about this. The reason we think apprehensions are a pretty good approximation is once we put a lot of people at the border, we have a pretty high percentage chance of capturing people that we see and we typically put them in the areas where the highest traffic has been, and then we try to validate this concept of apprehensions by looking at the number of times we catch people who are recidivists.

Chairman LIEBERMAN. Right.

Secretary CHERTOFF. They do to some degree literally count footprints to get a sense of what the traffic flow is. They look at what is going on in the staging areas south of the border. And they even look at things like the price it costs to pay a smuggler.

The figures coupled with the anecdotes support the notion that this reflects—but I say reflects as opposed to precisely measures—a downturn in the number of people coming across the border.

Now, what I can't tell you is whether the people that we don't get, whether it is an exact correlation or just a rough approximation.

Chairman LIEBERMAN. Sure.

Secretary CHERTOFF. So it tells us what direction we are moving in, but until we get all of this technology along the border, it is not going to tell us with certainty.

Chairman LIEBERMAN. Are there estimates that the Department makes of the number of illegal entries there are?

Secretary CHERTOFF. The last time we asked, it was the general view that for every two we catch, one gets through. But I have been told that it may be now somewhat better than that.

¹ The chart referred to appears in the Appendix on page 61.

Chairman LIEBERMAN. A higher multiplier? I mean, in other words, a lower—

Secretary CHERTOFF. That there is even a lower ratio now.

Chairman LIEBERMAN. Yes.

Secretary CHERTOFF. But that is only, again, people coming between the ports of entry.

Chairman LIEBERMAN. Right.

Secretary CHERTOFF. It is not people coming through the ports of entry.

Chairman LIEBERMAN. Right. So we can assume from these numbers, though in a sense they are counterintuitive, but you have made the argument that there are fewer people coming over—

Secretary CHERTOFF. That is right.

Chairman LIEBERMAN [continuing]. Illegally between the ports of entry, and that is the key.

Let me ask you about some of the programs. I appreciate that the budget requests \$775 million for traditional fencing, infrastructure, and technology to protect the border, including creating so-called virtual fence areas of sensors and surveillance. As you know, we have been concerned about how so-called Project 28 (P28) and SBInet are doing. Senator Collins and I sent you a letter in January expressing our concerns about SBInet and asking for detailed information from the Department to help us better understand the technological component of this initiative, frankly, before we commit another large chunk of money in the fiscal year 2009, although we are inherently inclined to do that. What is the status of P28 and have the problems that you have had been resolved?

Secretary CHERTOFF. I will ask your indulgence to take a little bit of time to explain it.

Chairman LIEBERMAN. Go ahead.

Secretary CHERTOFF. SBInet is broader than P28. It is really all the technology we use at the border—

Chairman LIEBERMAN. Right.

Secretary CHERTOFF [continuing]. So it includes, for example, our unmanned aerial systems. We have three and I think the fourth one is about to come online. We anticipate with the budget this year in 2008 that we are going to go from, I think, a half-a-dozen ground-based vehicle radars, which we call Mobile Surveillance Sensors, to 40, and that is technology although it covers—I think they generally cover about six miles each way, depending on the terrain, whereas P28 is designed to give you 28 miles.

Chairman LIEBERMAN. So these are moving along?

Secretary CHERTOFF. Correct.

Chairman LIEBERMAN. They are constantly in movement.

Secretary CHERTOFF. Well, no, they are not constantly in movement. They can be repositioned.

Chairman LIEBERMAN. Yes.

Secretary CHERTOFF. So they are stable in one place. The downside is to cover—that if you do the math, to cover 28 miles with that, you need four agents as opposed to one, so it is more manpower-intensive.

P28 is a solution that allows us in certain areas to actually have a broader situational awareness by connecting up the radar and the cameras so that when the radar hits something coming across

the border, we can slew the camera and allow us to determine what we are looking at. When it was originally let, it was let to see whether we could get a basically operating system. That was P28. And there were some problems with the equipment.

We were disappointed over the summer, and I had a frank conversation with the CEO of Boeing and he replaced the team that was on it. I think at this point, although we haven't finally signed off on it, all of the equipment-related issues that are material have been cured. There are four issues that I would characterize as not material for which we will get a credit. It is basically not worth trying to cure them. We will just get a reduction in price.

But there is a second issue, which is how does this work operationally in terms of the kind of day-to-day activities of the Border Patrol, and to understand this, the Border Patrol needed to be able to work with the equipment itself over a period of some months, because there are two things that flow from that. One is that we come to see there are certain features of this that either are sub-optimal, the way we actually work with it in the real world, or in some cases there may be some things that we don't need that we would just as soon get rid of and not waste time with. And at the same time, the Border Patrol may want to adjust its operating procedures because it is not working in a way that fully exploits the full promise of the system.

So let me give you a concrete example because I was there a week ago. The system, and I saw them do this, does identify a radar hit, the camera goes and fixes on the location, and we are able to characterize the people coming across so that we can intercept. One of the challenges was taking what we call the Common Operating Picture (COP), which is the map and the video feed, and getting an exact duplicate of that in the cars and the trucks that were actually out in the field. It is a problem partly because you have to stabilize it when you are driving along and there are some issues involving the wireless and the satellite.

But when I was down there last week, we were talking about it and one of the agents said to me, "You know, we are not sure that we really need to have all of this data on our screen in the car. We clearly want to have the map, but in terms of getting the video feed, it may actually turn out to be more of a distraction than a help and we may rather just have somebody tell us there are six people coming with backpacks or guns or whatever it is." So then they would make a determination that operationally, it is a waste of time to fully develop the COP in each car. At the same time, they may determine that back at headquarters, they want a better capability than the COP is able to provide, and this is what they call spiral development.

This is now the next stage of development. The next thing we want to do is take the operators' inputs, adjust the software and the hardware to the next level, and then make a judgment about how to make this work and in what areas it works, and some terrain may not be suited for it.

Chairman LIEBERMAN. OK, I appreciate that answer, and in a way, it anticipates what I was going to followup on asking, which is I have heard that one of the concerns was that the P28 was initiated without previous operational requirements from Customs and

Border Protection and that as a result, there was some dissatisfaction with it and some ideas about how it could be used better, and therefore that P28 itself would not be the model for the future.

Secretary CHERTOFF. I would say it is a partial model for the future.

Chairman LIEBERMAN. Right.

Secretary CHERTOFF. I think that it was a concept. We wanted to make sure, (A) does the basic concept functionality work, and (B) the thought was to give the contractor an opportunity to present something that essentially thought out of the box, that wasn't just a follow-on to the traditional way of doing business. But I think we all agree at this point, certainly, and we have done this over the last few months—we now need to integrate that with the operators and——

Chairman LIEBERMAN. Right.

Secretary CHERTOFF [continuing]. Real world functionality and all the development from now will be guided by what the operators want to do now that they have gotten to see the system.

Chairman LIEBERMAN. OK. So obviously, it is really important to keep us and the appropriators informed so that we have a feeling of confidence as we go to the next stage of appropriations for the virtual fence. Thank you.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Mr. Secretary, I want to bring up two issues that are a particular concern to my constituents. One is an issue that you and I have talked about many times. It is the Western Hemisphere Travel Initiative. As I have explained and as you have seen from your visits to Maine, Maine's border communities are very integrated with their Canadian counterparts. People cross the border all the time to visit relatives, to shop, and to work. It is really a way of life. So the idea of having to have a passport or a passcard eventually to do that is something that is very foreign to people who have lived on the border their whole lives.

Nevertheless, it seems to me that when you boil down the objections, they come down to two. One is the cost of complying with the Western Hemisphere Travel Initiative, and the second is one of access. When the Department put into effect the requirement for a passport for air travel, it caused enormous backlogs at the Department of State. All of us were inundated by constituents who had to wait for months to get their passports and so it was a real problem.

Now, when I look at those two problems, it occurs to me that there are some solutions. What we have done in Congress is to delay the implementation date until June 2009. I know you don't much like that delay, but let us look at what could be done.

The first is to cut the cost. Now, I know the Department is looking at coming up with passcards that would be different from a passport and would cost about half as much, about \$45. When I look at that \$45 cost, \$20 is the fee to the State Department and \$25 is an execution fee that would be paid to the Post Office or the county clerk, in most cases.

Now, one option to get that cost down further is to waive the \$20 fee to the Federal Government, and the State Department's esti-

mate based on how many people are likely to apply is that would cost \$400 million. I have to say, if that creates a more secure border crossing, considering all the other programs that we spend lots of money on, I am not sure but that seems to be a bargain.

But another idea would be to have DHS or the State Department have mobile enrollment centers that go to border States and that set up shop in border communities where the demand is going to be high for these passcards. And from what we can calculate, that would reduce the cost substantially without incurring the \$400 million. It would be cheaper.

And secondarily, it solves the access issue. It solves the problem of people having to go to the passport office in Boston when they need a passport very quickly, which is what they have to do now. Why not put mobile offices in border States? You could share them among border States. But publicize that they are going to be there. Cut the cost. I think that would solve both the cost and access problem, and you could do it this year when you have this grace period before the law goes into effect.

Secretary CHERTOFF. Well, let me say, first of all, I mean, I agree with you that we are concerned about the cost. You are right that the passcard is meant to be cheaper than the passport. It is about half as expensive. I think it is about \$45.

We also have signed up with a number of States for enhanced drivers' licenses. Those should be cheaper, still. Now, obviously there is your basic license fee, but I think the marginal cost if you want an enhanced driver's license is pretty small. It may be less than \$10. And that, of course, would be available through your motor vehicle process. So the State of Washington has already, if I understand correctly, issuing these. So that is another option.

Now, the idea of doing mobile—I can't bargain away the State Department's fee because that is their—

Senator COLLINS. Oh, go ahead. [Laughter.]

Secretary CHERTOFF. Sure, I would be happy to look at some way to get closer to the point of sale, so to speak. We have to look at the budget implications of that. But if there is a way to maybe work with the States to find—maybe we could set up in a couple of Post Offices to do intake and handle something there. I would be certainly happy to look at that if we can manage it from a cost standpoint.

Our objective here is to make this as easy as possible. I think the end state, we all agree, is what the 9/11 Commission said we have to have, and I think it has been pretty painless the way we have done the implementation this year on tightening up on the border requirements. So I will be happy to look at that and see whether we can do something along that line.

Senator COLLINS. I am certain that in border States across this country, that town hall offices would be happy to cooperate. I still like the idea of a mobile van going through these border States, but I know that when my staff goes out to do citizens' hours, they always go to the town office and they are always welcome. They are given space. I am sure something like that could be worked out and I think it would make a real difference, so I look forward to working further with you on that.

The second issue I want to bring up, if I may take the time—

Chairman LIEBERMAN. Go ahead.

Senator COLLINS. Thank you—is the new Transportation Worker Identification Credential (TWIC) enrollment centers. Now, first, I want to congratulate the Department that the enrollment centers are starting to open up around the country and I am told that more than 78,000 maritime workers have been enrolled and that approximately half of the planned 147 TWIC enrollment centers are now open. But looking ahead, you are going to see an influx of people who need these cards and I want to describe the scenario.

My home State of Maine and several other States, including New York, California, and Massachusetts, operate maritime academies. We have Maine Maritime Academy in Castine. Each year, they graduate thousands of men and women who are ready to go to work in the maritime industry, including on U.S. vessels. With the September 2008 TWIC deadline for merchant mariners fast approaching, I am concerned that a lot of these students are going to be graduating just before the deadline goes into effect and that the local TWIC enrollment capacity won't be adequate to ensure that they are able to get their TWIC cards in time to go to work.

In Castine, Maine, for example, where the Maine Maritime Academy is located, the graduating class is approximately 800, and school officials have contacted me about this problem because they have been told that a mobile enrollment center will be available but that it can only handle 25 enrollments per day. So that is really troubling to me. I don't know why it can't accommodate more. That doesn't seem like very many to me, but that is what I am told.

So I am worried about how TSA will accommodate the spike in applicants due to the influx of these new graduates that will occur just months before the September 2008 deadline, and I don't want these individuals to not be able to go to work.

Secretary CHERTOFF. What you say makes a lot of sense. I will find out why we can't, first of all, do this on a rolling basis. I mean, I don't think we have to wait for people to graduate to give them their TWIC cards. Presumably, if they have been admitted to the academy, there is a lot of information available about them. I also don't know why they can only do 25 a day.

I am sensing a desire for more mobile operations. Maybe we can use the trailers for these— [Laughter.]

But seriously, I will ask TSA because I think particularly with a school, we should be able to do a lot of this enrolling, frankly, during the course of the year and get it out of the way. So I am going to take that back. It is a good suggestion.

Senator COLLINS. Thank you. That would be very helpful. What we are told, and I will provide you with the information we have from Maine Maritime Academy, is that the mobile station is going to come from Bangor. That is about an hour and 15 minutes away. That is OK, but it is coming after the graduation date and it has the slow enrollment. It would be much better if it were prior to the graduate date and if we could somehow speed up this process. But this is something I wanted to put on your radar screen. It is going to affect the maritime graduates in those other States, as well. There aren't that many of the academies, but that certainly ought to be a priority for the Department.

Thank you very much, and thank you, Mr. Chairman. I am going to submit the rest of my questions for the record.

Chairman LIEBERMAN. Thanks, Senator Collins.

I want to ask you one question just before we close, Mr. Secretary. As I mentioned in my opening statement, I am very pleased to see that you are focusing on cyber security. It is one of your top four priorities. Obviously, this is an area of potential vulnerability to enemy terrorist attack. Not really comparable, but just a couple of days ago, the RIM Blackberry network went down for several hours and it was quite interesting to see how many people were disabled. That wasn't final because they actually could pick up the phone and call people or go to their computers. And you are requesting an additional \$83 million for this year, including the \$115 million that was awarded in fiscal year 2008 omnibus appropriations. That would mean tripling the amount of money spent for cyber security and I am very glad to see that.

I know a lot of this is classified and I hope that I can get a classified briefing on it soon. I want to ask you in an open setting generally what you can tell us about what the Department is trying to do to defend our cyber systems. Also, I know the Cyber Security Initiative deals with the government systems. Since most of the cyber networks in our country are in the hands of the private sector, what is the Department doing beyond the Cyber Initiative to work with the private sector?

Secretary CHERTOFF. Well, what we currently do with the private sector is we deal with individual sectors of the economy through our Sector Coordinator Councils—financial, telecommunications. We have worked with various councils in the past when we have identified cyber vulnerabilities. We have US-CERT, Computer Emergency Response Team, which I think identified something like 37,000 intrusions last year, and we work with the private sector in helping them to identify intrusions and disseminate warning information and information to cure it.

Because so much of the discussion is classified, where we want to go at the next level is in two places. We want to find a way to better protect Federal assets. There, we have greater authority, frankly. That may mean reconfiguring the Federal system so that we can use some of these tools in a more effective way to detect and respond to intrusions more quickly and also to make sure that all the agencies are operating 24/7 watch operations centers. It is no good detecting something and making a call at two in the morning and nobody is home. So we have to get that up to speed.

And then the second piece is with the private sector, which is more delicate because we don't want to be seen as in any way trying to regulate the Internet. We are trying to be very careful about that and we don't want to create any alarm that we are trying to do here what is done, let us say, in China, where people are sitting there and censoring—

Chairman LIEBERMAN. Yes.

Secretary CHERTOFF. We want to see if there are things we can do with our partners in the government to help enable the private sector to protect itself better, and I think that is probably the limit of what I can say in an open session.

Chairman LIEBERMAN. Yes.

Secretary CHERTOFF. But we do look forward to briefing you very soon on this.

Chairman LIEBERMAN. Yes. I think it would be good if Senator Collins and I could do that. I urge you to be as aggressive as you can be, obviously within the normal constitutional protections.

I thank you very much. It has been a good exchange of ideas. We look forward to working with you, as always.

We are going to keep the record of the hearing open for 15 days if you want to add anything or any of the Members want to subject you to further interrogatories.

Secretary CHERTOFF. Thank you, Mr. Chairman. Always a pleasure, and I look forward to working with you on these issues during this coming year.

Chairman LIEBERMAN. Thank you. The hearing is adjourned.
[Whereupon, at 4:06 p.m., the Committee was adjourned.]

A P P E N D I X

Statement for the Record

The Honorable Michael Chertoff

Secretary

United States Department of Homeland Security

Before the

**United States Senate Committee on
Homeland Security and Governmental Affairs**

February 14, 2008

Mr. Chairman, Senator Collins, and Members of the Committee:

Let me begin by saying thank you for the strong support you have consistently shown the Department, and I look forward to working with you to make certain that we make the most effective and efficient use of our resources and capabilities to protect the homeland and the American People. While we have had many successes, there are numerous challenges that still remain. I am here today to ask for your partnership and support as we face these challenges. We may not see eye to eye on all issues, but we certainly agree that our interests are best served when we work together to achieve our common goal of securing this great nation.

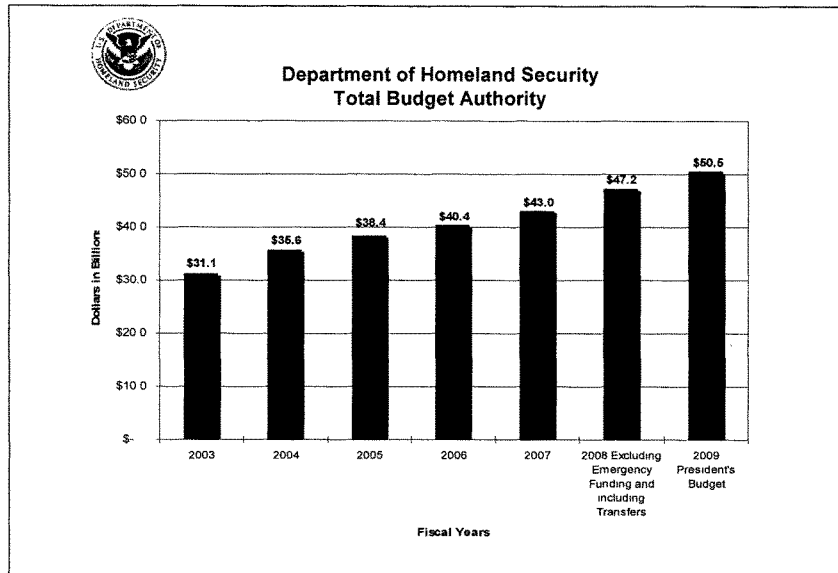
I am pleased to appear before the Committee today to highlight some of our key accomplishments of the last year and to present President Bush's Fiscal Year (FY) 2009 Budget Request for the Department of Homeland Security (DHS).

This year, as DHS embarks on our fifth year anniversary, we continue to protect the nation from dangerous people and goods; to protect critical infrastructure; to build a nimble, effective emergency response system and a culture of preparedness; and to strengthen the Department's operations and management. The Department has made tremendous progress in achieving effective control of the border, screening passengers, protecting critical infrastructure, responding to emergencies, and enforcing our immigration laws. In FY 2007, we invested significant time and effort to implement the requirements of the Post-Katrina Emergency Management Reform Act, to focus our efforts on the greatest risks, to be nimble in our response to changing threats, and to be disciplined in our use of resources as we build a Department ready to meet future challenges seamlessly with state and local leadership, first responders, the private sector, our international partners, and most certainly, the public.

It is no accident that we have not suffered a major terrorist attack on U.S. soil since September 11, 2001. It is the result of the President's leadership, the support of Congress, and the hard work and constant vigilance of hundreds of thousands of men and women – including the employees at DHS – who are working tirelessly both at home and overseas to protect our country. Under the President's leadership, the Department will continue to effectively carry out its critical mission and will leave a strong foundation for the future.

FY 2009 Budget Request

Six years after September 11, 2001, we are moving beyond operating as an organization in transition to a Department diligently working to protect our borders and critical infrastructure, prevent dangerous people and goods from entering our country, and recover from natural disasters effectively. The total FY 2009 budget request for DHS is \$50.5 billion in funding, a 7 percent increase over the FY 2008 enacted level excluding emergency funding. The Department's FY 2009 gross discretionary budget request is \$40.7 billion, an increase of 8 percent over the FY 2008 enacted level excluding emergency funding. Gross discretionary funding does not include mandatory funding such as the Coast Guard's retirement pay accounts and fees paid for immigration benefits. The Department's FY 2009 net discretionary budget request is \$37.6 billion, which does not include fee collections such as funding for the Federal Protective Service and aviation security passenger and carrier fees.



In pursuit of the five priorities we established in 2007, the Department continues to efficiently align resources to lead a unified national effort in securing America. Those five priorities are:

- Goal 1. Protect our Nation from Dangerous People
- Goal 2. Protect our Nation from Dangerous Goods
- Goal 3. Protect Critical Infrastructure
- Goal 4. Build a Nimble, Effective Emergency Response System and a Culture of Preparedness
- Goal 5. Strengthen and Unify DHS Operations and Management

We have made great progress in each of these areas, and with the FY 2009 Budget, we will continue that momentum. Let me highlight some of our key accomplishments along with initiatives and ongoing programs in our FY 2009 Budget Request.

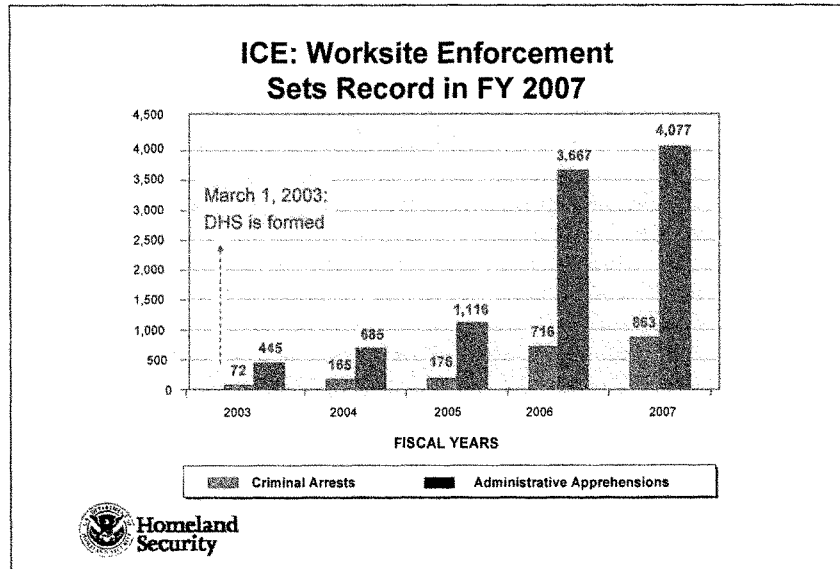
GOAL 1: PROTECT OUR NATION FROM DANGEROUS PEOPLE

We will continue to protect our nation from dangerous people by strengthening our border security efforts and continuing our efforts to gain effective control of our borders. The Department's main priority is to prevent additional terrorist attacks against our country. DHS has worked to prevent the entry of terrorists while facilitating the legitimate flow of people.

Key Accomplishments:

- **More Fencing at the Border:** By the end of calendar year 2007, 287 miles of pedestrian and vehicular fencing was in place at the border. By the end of 2008, U.S. Customs and Border Protection (CBP) will have constructed a total of 670 miles of fencing, which will include roughly 370 miles of pedestrian fencing and 300 miles of vehicular fencing. CBP also took conditional possession of the prototype Project 28 development of nine towers equipped with radar and communications systems and automated ground sensors linked to a command and control center and border patrol vehicles. A new task order was issued to design, develop and test upgraded Common Operating Picture software for the systems.
- **Increased Air and Marine Support:** CBP opened its fourth new air branch in North Dakota this past September and is on track to begin operations at the last northern border air branch in Michigan this spring. Delivery of a fourth DHS Unmanned Aircraft System (UAS) will enable the Department to operate three UASs along the southwest border and to deploy one UAS to the northern border this spring. The FY 2009 request supports the hiring and training of 24 new UAS pilots and the establishment of a joint CBP/U.S. Coast Guard (USCG) UAS program office for the development of a maritime variant of the Predator B. It also supports the continuation of an aggressive service life extension program for the Department's P-3 maritime patrol aircraft that are so critical to intercepting drug traffic in the Caribbean and eastern Pacific and countering the increasing threat posed by the cartels' use of semi-submersible vessels.
- **Secure Documentation Standards:** Compliance with secure identification requirements for air travel under the Western Hemisphere Travel Initiative (WHTI) has exceeded 99 percent since implementation in January 2007. A Notice of Proposed Rulemaking for WHTI land and sea requirements was issued in June 2007 and final rule implementation is expected in June 2009.
- **Enhanced Driver's Licenses:** The Department signed agreements with the States of Washington, Vermont, New York, and Arizona to enhance the security of their state driver's licenses and to potentially satisfy REAL ID requirements or serve as alternatives for entry at land and sea borders.
- **Better Biometrics:** Ten-fingerprint collection from international visitors has been deployed by CBP at nine ports of entry, and will be implemented at 278 other ports of entry by the end of 2008. This upgrade from two- to ten-fingerprint collection will enhance security and

fingerprint matching accuracy, improving the ability to compare visitors' fingerprints against latent fingerprints collected from known and unknown terrorists around the world. US-VISIT, the Science and Technology Directorate (S&T) and the Coast Guard have partnered on a pilot fingerprint collection at sea program near Puerto Rico, resulting in 114 prosecutions and a 53 percent reduction in migrant flow.



- Record-Breaking Law Enforcement:** U.S. Immigration and Customs Enforcement (ICE) removed roughly 240,000 illegal aliens, and made 863 criminal arrests and fined or seized more than \$30 million following worksite investigations. Its Border Enforcement Security Task Forces made more than 500 criminal arrests and 1,000 administrative arrests, and seized roughly \$2.5 million in cash as well as significant amounts of narcotics and weapons. Further, ICE ACCESS was launched to foster collaboration between its agents and state and local leaders to identify crime-fighting priorities.
- Enhanced Aviation Security:** The Transportation Security Administration (TSA) increased by more than 175 percent the number of personnel trained in techniques to identify potentially high-risk passengers in airports. Furthermore, TSA required that holders of airport-issued identification credentials be subjected to regular vetting against the Terrorist Screening Database. It also harmonized the 3-1-1 Liquids Rule with the European Union and many other countries, and published a Notice of Proposed Rulemaking in August to take over watch-list checks from the airlines under the Secure Flight program in 2010.

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- **Connecting the Dots:** The Department renewed a Passenger Name Record (PNR) agreement with the European Union to share advance information on passengers arriving in and departing from the United States. PNR data has helped frontline personnel to identify scores of dangerous people and deny them entry into the country.
 - **Protecting U.S. and World Leaders:** The U.S. Secret Service (USSS) continues to meet unprecedented challenges of protecting domestic and world leaders. In addition, protection of presidential candidates has resumed and comprehensive plans for securing the 2008 presidential campaign are being implemented.

FY 2009 Budget Request:

- **Border Patrol Agents:** Funding of \$442.4 million is requested in the President's Budget to hire, train and equip 2,200 new Border Patrol Agents and appropriate support. The additional agents represent the FY 2009 increment of the President's goal of adding 6,000 new Border Patrol Agents by the end of the first quarter of FY 2009. This request would increase the Border Patrol to over 20,000 agents by the end of September 2009, more than double the amount in 2001.
 - **Western Hemisphere Travel Initiative:** A total of \$140.0 million is requested for CBP's implementation of infrastructure and technology in support of the Western Hemisphere Travel Initiative (WHTI). These funds will complete the infrastructure improvements at the top 39 Land Ports of Entry, covering 95 percent of the land border arrivals.
 - **E-Verify:** Total funding of \$100 million is requested for E-Verify. This U.S. Citizenship and Immigration Services (USCIS) program allows employers to use an automated system to verify name, date of birth, and Social Security Number, along with immigration information for non-citizens, against federal databases to confirm the employment eligibility of both citizen and non-citizen new hires. USCIS will deploy additional staff covering information status verification, compliance, and monitoring. It is important that Congress reauthorize the program so that these employers can continue to benefit from E-Verify and not have to play detective when hiring new employees.
 - **Vetting Infrastructure Improvements:** An increase of \$30 million is requested to support TSA's Vetting Infrastructure Improvements, providing screening and credentialing of individuals requiring special access to U.S. transportation and other critical infrastructure. These funds will enhance and stabilize the infrastructure necessary to perform vetting operations on populations that access our most critical infrastructure.
 - **Secure Flight:** The Budget requests an increase of \$32 million that will accelerate the Secure Flight Program by replacing the current airline managed passenger vetting program with a government-operated program in 2010. In addition to using improved technology, the Secure Flight Program will alleviate the variability in performance of the current system and reduce the risk for compromised watch list data.
 - **Additional Bedspace and Staffing:** An increase of \$46 million is requested to help provide 1,000 additional beds, staffing, and associated removal costs required to meet current
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demand and demand generated by increased immigration enforcement activities. Of the 1,000 beds, the addition of 275 will be funded through projected increases in collections.

- **Automation Modernization of Information Technology Systems:** The Budget includes \$57 million for ICE to acquire secure and interoperable tactical communications equipment, a biometric detainee location tracking module, and to develop and integrate an enhanced Investigative Case Management system. These improvements promote officer safety, emergency response coordination, and case management efficiencies.
- **Federal Law Enforcement Training:** An increase of \$10 million is requested for the Federal Law Enforcement Training Center (FLETC) to provide training to meet increases in border security and law enforcement hiring levels.
- **US-VISIT:** A total of \$390.3 million is requested for US-VISIT. This funding will complete the transition from two-print to ten-print collection. Taking all ten fingerprints will improve accuracy and allow us to increase the number of matches from latent prints captured all over the world. This funding also allows US-VISIT to continue to provide biometric identity services to law enforcement and intelligence, and it will help complete interoperability between US-VISIT and FBI databases.
- **Command 21 and Situation Unit Watchstanders:** The Budget includes \$7.3 million to support continued development of Command 21 and additional watchstanders at USCG Command Centers to meet increasing operational demands and support additional vessel monitoring, information collection, and interagency coordination capability provided by Command 21. These initiatives will provide information sharing and situational awareness tools required to close the gap between current port and coastal surveillance capabilities and the need for greater Maritime Domain Awareness in an all-hazards, all-threats operating environment.

GOAL 2: PROTECT OUR NATION FROM DANGEROUS GOODS

We have also made much progress in protecting our nation from dangerous goods. As a part of its risk-based approach, the Department is expanding its programs to identify, track, and intercept nuclear and radiological components and systems at ports of entry and in transportation systems within U.S. borders. We are intensifying our efforts to bolster capabilities to reduce the risk of a biological attack in the United States.

Key Accomplishments:

- **Overseas Radiation Scanning:** 100 percent of shipping containers bound for the United States from three foreign ports – Port Qasim (Pakistan), Port Cortes (Honduras), and Port Southampton (United Kingdom) – are now scanned for radiological and nuclear materials prior to departure. Scanning equipment is also being deployed to Port Busan (South Korea), Singapore, Hong Kong, and Salalah (Oman).

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- **Comprehensive Radiation Detection:** The Department has deployed more than 1,000 radiation detection devices to the Nation's land and sea ports of entry. Today, 100 percent of cargo containers crossing the southern border are scanned for radiation, 91 percent at the northern border, and more than 98 percent of cargo containers are scanned at our seaports.
 - **Improving Import Safety:** The Office of Health Affairs (OHA) engaged in the President's Import Safety Working Group to develop a comprehensive action plan with short- and long-term recommendations that better protect consumers and enhance the safety of imported goods.
 - **Expanded Container Security Initiative:** CBP expanded the Container Security Initiative to 58 ports screening 86 percent of maritime containers bound for the United States.
 - **Record-Breaking Narcotics Seizures:** USCG seized more than 350,000 pounds of cocaine at sea this year – a record-breaking 160 metric tons – worth an estimated street value of more than \$4.7 billion. CBP frontline personnel seized more than 3.2 million pounds of narcotics at and between ports of entry.
 - **Southwest Border Drug Strategy:** The Office of Counternarcotics Enforcement co-chaired the creation of the first-ever *National Southwest Border Counternarcotics Strategy and Implementation Plan*, which identifies major goals, objectives, and resource requirements for closing gaps in U.S.-Mexico counternarcotics capabilities at the southwest border.
 - **Reducing Risk from Small Vessels:** USCG worked with small boat manufacturers, industry groups and the public on mitigating the security risks posed by small vessels. Thirteen Maritime Safety and Security Teams, part of a 3,000 person Specialized Deployed Forces Command, are stationed at strategic ports nationwide with unique training to counter the small boats threat. The Coast Guard and the Domestic Nuclear Detection Office (DNDO) are collaborating with local authorities on a pilot program in Puget Sound and San Diego waterways on small vessel radiation detection.

FY 2009 Budget Request:

- **Nuclear Detection Research, Development, and Operations:** The Budget Request includes \$334.2 million to support DNDO's Research, Development and Operations program which provides resources for the development and evolution of the global nuclear detection architecture. Included in this research are development of an Advanced Spectroscopic Portal (ASP) suitable for examining cargo containers, trucks and privately-owned vehicles, and development of Human Portable Radiation Detection Systems (HPRDS) to provide handheld and 'relocatable' equipment to be used as primary detection tools by Customs Officers, Border Patrol agents, and USCG personnel.
- **Next Generation BioWatch:** The Budget includes \$111.6 million, an increase of \$34.5 million, for OHA's Next Generation BioWatch. Funding will begin to procure BioWatch automated detection sensors and initiate deployment activities of the automated sensor system to existing BioWatch jurisdictions. Automated detection will enhance the

capabilities of the BioWatch environmental monitoring system designed for early warning of bioterrorism incidents.

- **Aviation Security:** The Budget addresses the need to upgrade checked baggage screening equipment deployed immediately after September 11th, which is exceeding its useful life. The screening equipment is used to screen 100 percent of the 1.8 million checked bags passengers travel with every day. The Budget also speeds the rollout of inline systems at all major airports in six years by allowing a more flexible approach to funding these projects. To support this activity, legislative authorization is required for a temporary surcharge to the current \$2.50 passenger fee - \$0.50 added to each leg of a trip capped at \$1.00. The surcharge is proposed to begin in FY 2009 and sunset in FY 2012. It will generate an additional \$426 million in revenue in FY 2009 and approximately \$1.7 billion over four years, nearly doubling previously planned annual resources for checked baggage explosive detection systems. The increased revenue will be added to the existing \$250 million annual Aviation Security Capital Fund which is targeted exclusively for checked baggage explosive detection systems.

GOAL 3: PROTECT CRITICAL INFRASTRUCTURE

The Department aims to protect critical infrastructure and key resources, essential government operations, public health and welfare, and the country's economic and national security interests. Efforts to bolster the resiliency and protection of our nation's critical infrastructure and key resources helps to mitigate potential vulnerabilities and to ensure terrorist plans are not successful.

Key Accomplishments:

- **Setting Chemical Security Standards:** NPPD established national guidelines for chemical facility security in a comprehensive set of regulations to protect chemical facilities from attack and prevent theft of chemicals that could be used as weapons.
- **Assessed Impacts of Chemical Attacks:** S&T conducted the first comprehensive chemical threat risk assessment across a broad range of toxic chemicals that better focuses inter-agency priorities accordingly to risk.
- **Released Sector Specific Plans:** NPPD released 17 sector-specific infrastructure protection plans, creating a comprehensive risk management framework of national priorities, goals, and requirements to protect critical infrastructure and key resources.
- **Launched Improvised Explosives Device Awareness Campaign:** DHS has undertaken a national Improvised Explosives Device (IED) Prevention and Awareness Campaign, working with federal, state and local agencies and stakeholders to boost participation in the TRIPwire and National Capabilities Analysis Database information-sharing portals.
- **Increasing Cyber Security:** NPPD continued deploying EINSTEIN systems, which find malicious patterns in federal computer network traffic, and will expand systems this year. The United States Computer Emergency Readiness Team (US-CERT) issued over 200

actionable alerts on cyber security vulnerabilities or incidents in FY 2007 from its 24-hour watch center. Finally, the Secret Service currently maintains 24 Electronic Crimes Task Forces to prevent, detect, mitigate and aggressively investigate cyber attacks on our nation's financial and critical infrastructures.

- **Greater Information Sharing:** The Office of Intelligence and Analysis (I&A) has deployed 22 personnel to State and Local Fusion Centers across the country. DHS has also deployed networks such as the Homeland Secure Data Network, a system for securely communicating classified information, to 18 centers and anticipates deploying to many more centers this year.
- **Credentialing Port Workers:** Since October more than 70,000 port workers have enrolled in the Transportation Worker Identification Credential (TWIC) biometric credential program. More than 750,000 longshoremen, truck drivers, port employees and others requiring unescorted access to secure areas of ports will also be required to obtain a TWIC card.

FY 2009 Budget Request:

- **Protective Terrorist Countermeasures:** Total funding of \$19 million is requested for USSS Protective Terrorist Countermeasures. This program provides the latest state-of-the-art equipment that will be used in the event of an explosive, chemical, biological, or radiological attack. As new threats evolve and are identified, it is critical the Secret Service has the means to address them.
- **Chemical Security Compliance Project:** An increase of \$13 million is included for NPPD's Chemical Security Compliance Project. The Department issued regulations establishing risk based performance standard for security of chemical facilities. Additional funding is requested to increase the staff of this regulatory program and to provide tools and systems to collect and analyze vulnerability information, review plans, support and manage inspections activity, issue decisions, address appeals, and support compliance enforcement.
- **Explosives Research:** \$96 million is requested to support S&T in developing the technical capabilities to detect, interdict, and lessen the impacts of non-nuclear explosives used in terrorist attacks against mass transit, civil aviation and critical infrastructure. Of these funds, \$50 million will address critical capability gaps in the areas of deterring, predicting, detecting, defeating, and mitigating the use of IEDs in the United States. The Vehicle Borne Improvised Explosive Device/Suicide Bomber Improvised Explosive Device (VBIED/SBIED) program will allow S&T to improve large threat mass detection in such areas as the transit environment, special events and other large areas.

<p align="center">GOAL 4: BUILD A NIMBLE, EFFECTIVE EMERGENCY RESPONSE SYSTEM AND A CULTURE OF PREPAREDNESS</p>
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Improving our nation's ability to respond to disasters, man-made or natural, is a top priority for the Department. Incorporating lessons learned from Hurricane Katrina, other disasters, and the 9-11

Commission Recommendations, the Department is improving its capabilities and preparing those who respond to acts of terror and other emergencies.

Key Accomplishments:

- ***Responded to 68 Major Disasters:*** During FY 2007, Federal Emergency Management Agency (FEMA) responded to over 130 events that resulted in 68 Major Disaster Declarations, 11 Emergency Declarations, and 54 Fire Management Assistance Declarations, including tornadoes in Florida and Kansas, floods in the Midwest and Tropical Storm Erin.
- ***Supporting Local Security Plans:*** The Office of Infrastructure Protection's Protective Security Advisors worked in state and local Emergency Operations Centers providing expertise and support to local authorities, the Principal Federal Official and the Federal Coordinating Officer during major domestic incidents including the Virginia Tech shootings in Blacksburg, Virginia; the Chevron Refinery Fire in Pascagoula, Mississippi; the I-35W bridge collapse in Minneapolis, Minnesota; and the Florida and California Wildfires.
- ***Improved Interagency Coordination:*** The Office of Operations Coordination (OPS) led federal prevention, protection, and response activities to all-hazard threats during several incidents in 2007, specifically the recent outbreaks of Foot and Mouth Disease in the United Kingdom and the vehicle-borne improvised explosive device attacks in the United Kingdom.
- ***Building Stronger Response Partnerships:*** DHS engaged state and local leadership, first responders and stakeholders on developing the National Response Framework, which outlines how our nation responds to all-hazard disasters across all levels of government and community sectors.
- ***New Operations Capabilities:*** USCG established the Deployable Operations Group which aligns all deployable, specialized USCG forces under a single, unified command in adaptive, tailored force packages for rapid response to national threats.
- ***Saved Over One Million Lives:*** The Coast Guard reached a remarkable milestone this year, saving more than one million lives throughout its 217-year history.
- ***Awarded Public Safety Interoperable Communications Grants:*** DHS administered over \$968 million in Public Safety Interoperable Communications Grants which will help support the establishment of Statewide Communications Interoperability Plans for improved first responder communication during major disasters, and fund state and local projects aligned with those plans.
- ***Realizing Interoperable Communications:*** S&T published results of the National Interoperability Baseline Survey – a nationwide survey of first responders across all jurisdictions and disciplines that assesses progress in achieving interoperable communications. By providing a clear representation of national capacities, these survey findings are helping emergency response leaders and policy makers make informed decisions about strategies for improving interoperability. The Department also established

the Office of Emergency Communications (OEC) to consolidate several interoperability programs and address new responsibilities including the development of the National Emergency Communications Plan.

- ***Strategic Planning for Catastrophic Disasters:*** The Incident Management Planning Team continued to draft federal interagency strategic plans that coordinate resources and capabilities to prevent, protect against, respond to and recover from major disasters and other catastrophic emergencies.

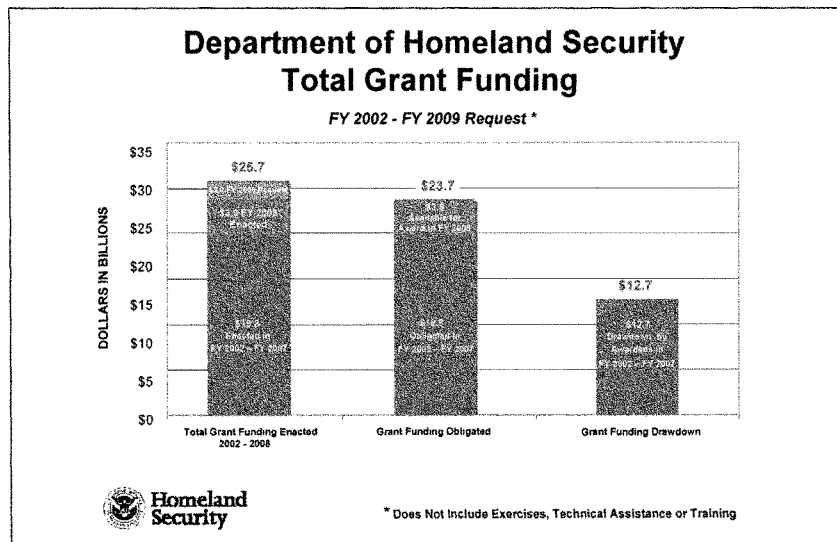
FY 2009 Budget Request:

- ***Grant Programs:*** The Budget requests \$2.2 billion to support FEMA's State and Local Programs and Assistance to Firefighters Grants, just above the amount provided in the President's FY 2008 Budget Request. These important grant programs help prepare state and local governments to prevent, protect against, or respond to threats or incidents of terrorism and other catastrophic events. The Budget will support the existing Homeland Security Grant Program, Port and Transit Security Grants, and Emergency Management Performance Grants, and also proposes a new discretionary grant program targeted towards high priority security initiatives including REAL ID implementation.

While Congress chose to provide an additional \$2 billion in the FY 2008 Consolidated Appropriations Act, the Department is requesting approximately the same level as the FY 2008 Budget Request.

The FY 2009 Budget requests \$200 million for the State Homeland Security Grants and increases funding for the Urban Area Security Initiative to \$825 million. The \$300 million funding request for the Assistance to Firefighter grants is identical to the President's FY 2008 Budget Request.

Over a six-year period from FY 2002 through FY 2007, grant recipients have drawn down \$12.7 billion of the \$19.8 billion made available since the Department's inception. On February 1, 2008, the Department announced an additional \$3.0 billion in grants to be provided this year. Including Congressional approval of the FY 2009 request, a total of \$13.0 billion would be in the pipeline for state and local homeland security needs.



- FEMA Vision – Phase II:** The Budget requests a total of \$164.5 million to support FEMA’s Vision - Shape the Workforce program. Phase II of FEMA’s transformation will strengthen that agency’s ability to marshal an effective national response, deliver service of value to the public, reduce vulnerability to life and property, and instill public confidence. The Budget also requests a total of \$209 million to support FEMA’s disaster workforce, including transitioning four-year Cadre On-Call Response Employees (CORE) from temporary to permanent full-time personnel to achieve the level of readiness and response capability required in response to Presidentially declared major disasters and emergencies.
- Disaster Readiness and Support:** The Budget includes \$200 million in a new Disaster Readiness and Support Activities account. This account will fund advanced readiness initiatives that assist FEMA in preparing for future disasters and will allow FEMA to perform critical administrative functions that support the timely delivery of services during disasters.

GOAL 5: STRENGTHEN AND UNIFY DHS OPERATIONS AND MANAGEMENT

A cohesive and operationally efficient organization is essential to the rapid implementation of homeland security priorities, policies, and objectives. As such, the Department has aligned its resources into areas that will most effectively accomplish its mission. Successful mission performance is driven by human capital development, executing efficient procurement operations,

and possessing state-of-the-art information technology resources. We continue to improve systems for intelligence and information sharing.

Key Accomplishments:

- ***Continued Integration:*** DHS was created five years ago to serve as the unifying core for the vast national network of organizations and institutions involved in securing our nation. Over the past year, DHS has further integrated core management functions and systems throughout headquarters and the components, achieving a more cohesive and unified Department.
- ***Enhanced Privacy, Civil Rights, and Civil Liberties:*** The Privacy Office and the Office for Civil Rights and Civil Liberties have worked to enhance privacy and civil rights and civil liberties through the Department's work in cyber security, the use of satellite technology, airport screening protocols, and partnerships with Muslim-American communities.
- ***Increased Responsiveness to Congressional Inquiries:*** DHS improved responsiveness and adherence to Congressional deadlines. This included the on-time submission of over 3,000 Congressional Questions for the Record (QFR). Average response time to Congressional correspondence has dropped from 5-6 weeks to an average of 2.5 weeks, and average response time to Authorization QFRs has dropped from six months or more to an average of 35 business days.
- ***Consolidation of Information Technology Network Sites:*** The Department has consolidated more than 1,780 IT network sites into a single network that allows transparent monitoring of system performance and activity, prioritization of traffic, and vastly improved security posture.
- ***Strengthened Business Processes and Technology:*** USCIS launched a new fee schedule designed to bring decades-old systems into the 21st century and improve customer service.
- ***Record-Setting Levels of Federal Law Enforcement Training:*** FLETC trained a record-setting 60,458 students from all three branches of the Federal Government, as well as international, state, local, campus, and tribal law enforcement agencies.
- ***Improved Recruitment and Hiring:*** DHS decreased the average time it takes to hire new DHS employees, four days shorter than the Office of Personnel Management targets. DHS also exceeded targeted goals by hiring more than 2,300 protection officers; 11,200 transportation security officers; and 412 immigration enforcement agents.
- ***Record FEMA Staffing Levels:*** For the first time in a decade, FEMA attained a 95 percent staffing level and strengthened regional capability through the creation of over 100 new positions in FEMA's ten regional offices.
- ***Enhanced Employee Training and Communication Tools:*** DHS recently launched new training and communications tools including DHSCover, a state-of-the-art online training system.

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- **Increased Border Patrol and Field Operations Staffing:** CBP increased Border Patrol agent staffing by an unprecedented 21 percent since its inception in March, 2003, growing to 14,923 agents at the end of FY 2007. In addition, CBP Office of Field Operations hired 2,156 new officers and 340 agriculture specialists.
 - **Streamlined Acquisition Processes:** The Coast Guard created an innovative and centralized acquisition directorate in July 2007, significantly improving program execution, contracting practices, research and development, and industry oversight.
 - **Enhanced Training to Prevent and Investigate Cyber-related Crimes:** The Secret Service developed a National Computer Forensics Institute in Hoover, Alabama. This cyber crimes training facility provides state and local law enforcement officers, prosecutors, and judges with training, equipment, and expertise in computer forensics and digital evidence analysis.

FY 2009 Budget Request:

- **Quadrennial Homeland Security Review:** A total of \$1.65 million is requested for the first ever Quadrennial Homeland Security Review (QHSR). Funding is required to research, organize, analyze, and develop the QHSR. This document will recommend long-term strategy and priorities of the nation for homeland security and comprehensively examine programs, assets, budget, policies, and authorities required to provide the United States with strong, sound and effective homeland security capabilities in the decades ahead. The Office of Policy requests \$1.5 million and the remaining \$0.150 million is requested in the Office of the Chief Financial Officer (OCFO).
 - **Transformation and Systems Consolidation:** An increase of \$15.5 million is requested for OCFO to continue implementation of the Transformation and Systems Consolidation (TASC) project. One of the main objectives of DHS at its formation was to consolidate the support systems of the component agencies to realize cost savings and operational efficiencies. OCFO aims to reduce the number of DHS financial systems, and ensure the manual processes for internal controls are integrated with these financial systems. DHS will begin migrating OHA, S&T, DHS Headquarters, NPPD, CIS, and ICE's financial systems to the TSA Oracle Shared Baseline.
 - **DHS-Wide Acquisition Workforce Intern Program:** The Budget includes an increase of \$3.1 million for the Office of the Chief Procurement Officer. DHS will enhance the Acquisition Intern Program which recruits, trains, certifies, and retains an appropriate workforce of acquisition professionals. In FY 2009 the intern cohort will be raised to 100 people.
 - **Office of the Inspector General Auditors:** An increase of \$6.4 million is requested for the Office of the Inspector General (OIG) to expand staff oversight of DHS preparedness programs, through audits of preparedness grant programs, science and technology programs, and Department-wide programs that establish the Department's baseline preparedness efforts. The additional funds will strengthen OIG oversight of DHS border security and enforcement programs through a proactive program of audits and on-going oversight of the policies, initiatives and funds to secure the nation's borders.
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- **State and Local Fusion Center Program:** Funding for I&A's State and Local Fusion Center program is to create a web of interconnected information nodes across the country ensuring information is gathered from all relevant operations and fused with information from the Homeland Security Stakeholder Community. The Budget requests funds to assist in producing accurate, timely, and relevant actionable intelligence products and services in support of the Department's homeland security missions.
 - **Vigilant Watch Over America:** OPS carries out its unified mission to secure America by maintaining the National Operations Center (NOC) and by providing 365/24/7 incident management capabilities to ensure seamless integration of threat monitoring and information flow. To improve technological capabilities within the NOC, the Budget requests funding to provide improved data infusion, the auto-ingestion of data from multiple sources, and the creation of a consolidated, centralized data repository. In addition, funds are requested for the Principal Federal Official (PFO) program. As mandated by Presidential directive, the Secretary of Homeland Security is the Principal Federal Official responsible for coordination of all domestic incidents requiring multi-agency federal response. Funding will provide a standing organizational structure to plan, train, exercise, deploy and support the PFO program.
 - **Create DHS Counterintelligence Program:** Under the leadership of the Chief Intelligence Officer, I&A and the Office of Security will develop a new DHS-wide counterintelligence program to analyze threats posed by foreign intelligence entities collecting against the Department, support risk management decisions, and enhance operations and implement strategies and policies to unify the Department's counterintelligence mission.

Conclusion

I am sure you will recognize that with the support of Congress, the Department has had many successes. I have outlined many of them in my testimony today and how they relate to the Department's five priority goals. As we move forward to face the many challenges ahead, we are keeping in mind past experiences and lessons learned that will be at the core of our planning and implementation efforts.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the FY 2009 Budget Request and other issues.

Secretary Chertoff's Five Goals

Over the next year and beyond, we will remain focused on strengthening the foundations for successful execution of our mission. We will continue to listen, learn, and grow as a Department. And we will continue to work in a spirit of collaboration with our Federal, state, and local partners, and with the American people – all of whom are equal partners in helping us protect our country as well as equal stakeholders in our progress to achieve our five major goals:

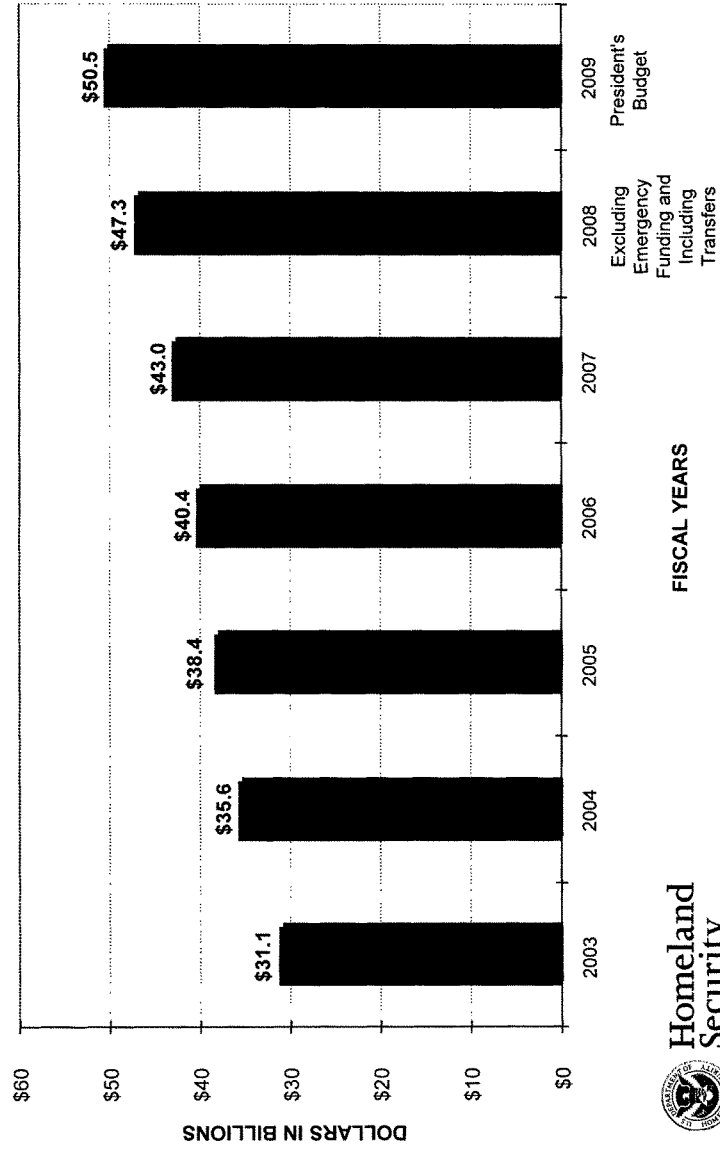
- Secretary Michael Chertoff

1. Protect our Nation from Dangerous People
2. Protect our Nation from Dangerous Goods
3. Protect Critical Infrastructure
4. Build a Nimble, Effective Emergency Response System and a Culture of Preparedness
5. Strengthen and Unify DHS Operations and Management

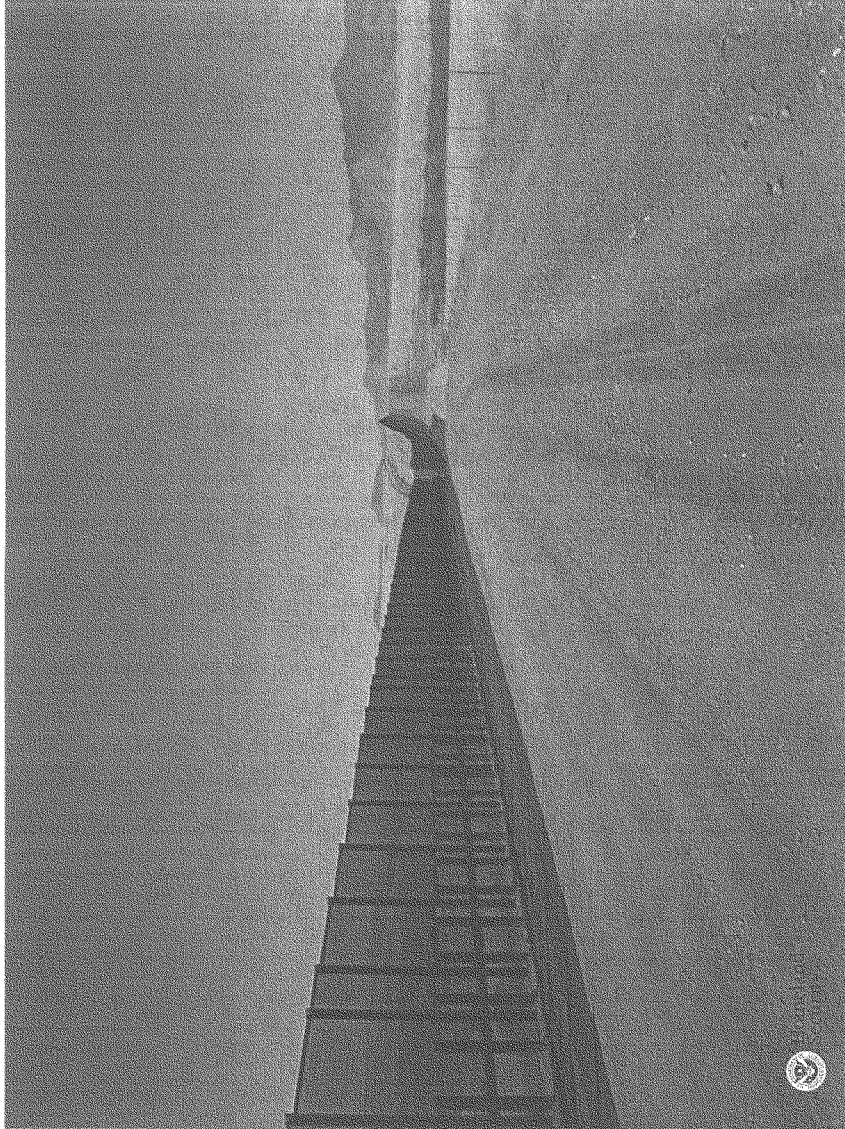


Homeland
Security

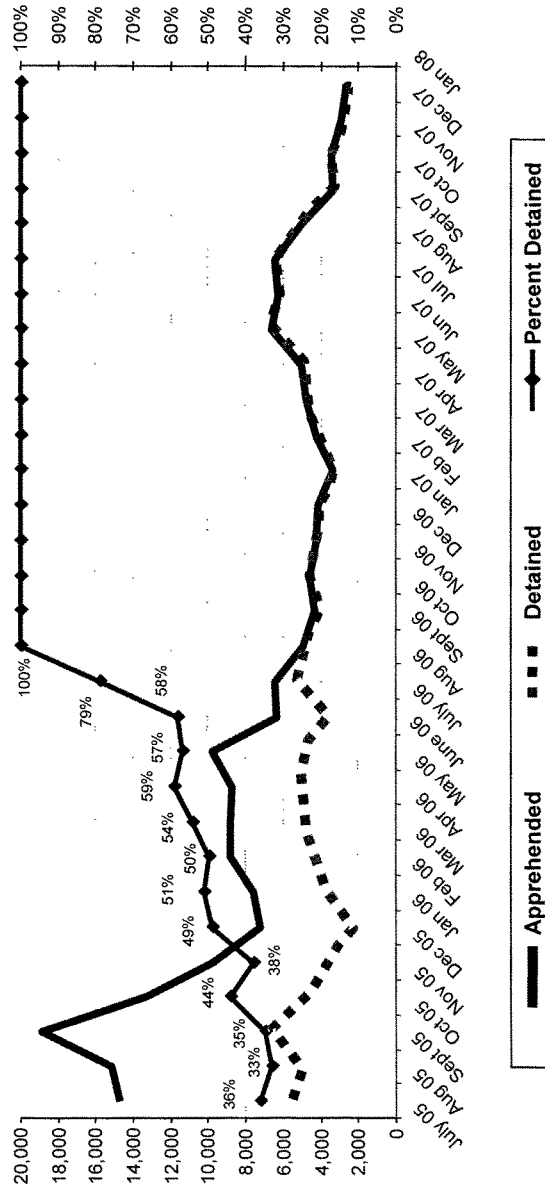
Department of Homeland Security Total Budget Authority



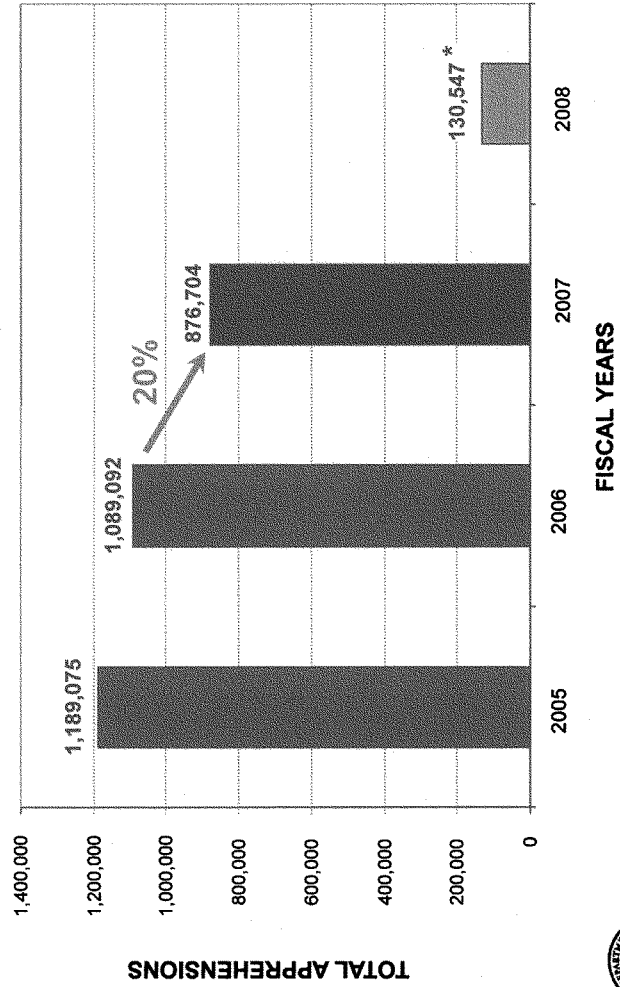
Homeland
Security



Sustaining End of Catch and Release



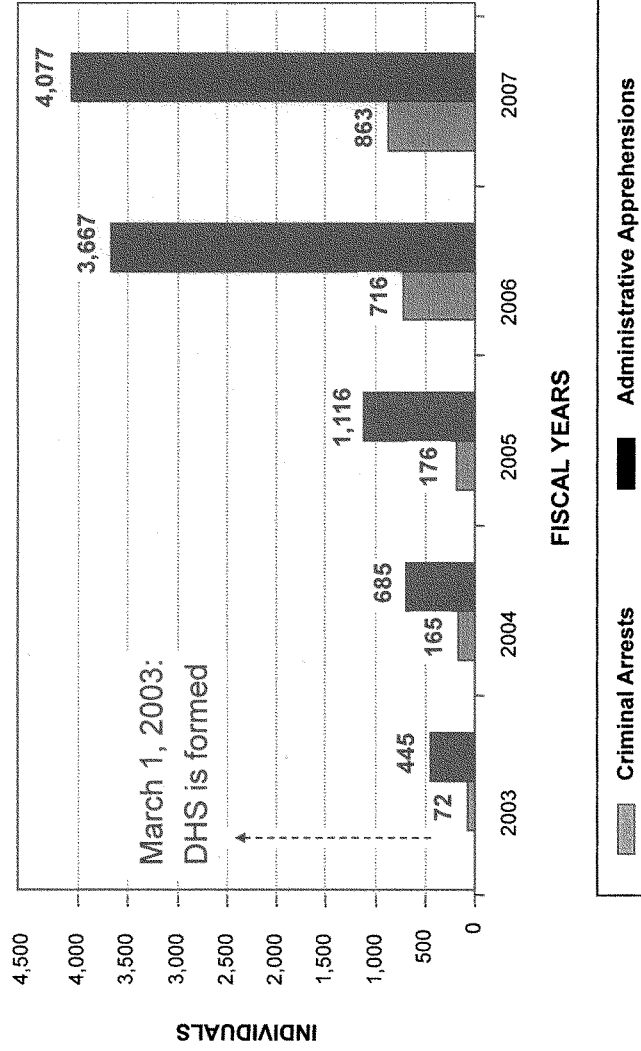
**Border Security Deterrence Effect:
Apprehensions Down by 20 Percent Nationwide
from FY 2006 to FY 2007**



* FY 2008 1st Quarter



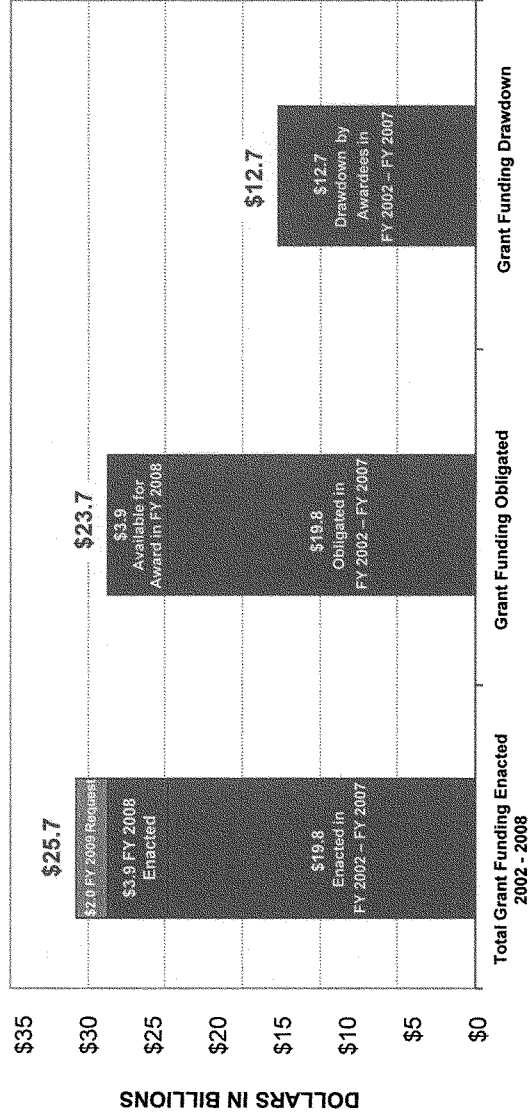
ICE: Worksite Enforcement Sets Record in FY 2007



Department of
Homeland
Security

Department of Homeland Security Total Grant Funding

FY 2002 - FY 2009 Request *



* Does Not Include Exercises, Technical Assistance or Training
(approximately \$0.2B in FY2009)

Question#:	1
Topic:	FEMA regional offices
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

**Questions and Responses for the Record
from Secretary Chertoff**

Question: The Post-Katrina Emergency Management Reform Act (Post-Katrina Act) calls for broad reforms to FEMA. However, I am concerned that the proposed budget does not include sufficient funds to implement these reforms. For example, there does not appear to be sufficient funding to implement the requirement that FEMA strengthen its regional offices in order to improve our overall capacity to respond to a disaster or catastrophe.

What is your vision for building the stronger regional offices called for by the Post-Katrina Act?

In response to staff questions asking what amount of the Administration's FY 2009 FEMA budget request was going to build stronger regional offices, FEMA officials said they had not yet broken down the amount of the request that would go to building stronger regional offices. This calls into question the strength of the agency's commitment to this task. Please describe in detail the amount of the increases in the Administration's FY 2009 budget request that will be used for building stronger FEMA regional offices.

Answer:

The Administration's FY 2009 budget request expands FEMA's regional offices and will strengthen our ability to successfully respond to all hazard disasters. This request will provide additional support to the regions which began with the 2007 and 2008 budgets.

Our FY2008 budget has provided FEMA – through four separate appropriations – with a total of 443 new permanent full time positions; 147 of which will be stationed in our ten regional offices. Those positions have laid the foundation that our FY 2009 request builds upon. FEMA's FY2009 budget request asks for 278 new permanent positions approximately half of which will be used to further build robust regional offices totaling close to 300 personnel across those offices in a two year time span. Below is a breakdown of the capabilities these positions bring to the Regions.

Incident Management

To further enhance disaster response capabilities and rapidly deploy to an incident or incident-threatened venue, FEMA is building Regional Incident Management Assistance Teams. The budget request asks for 66 positions for this function which can provide for four new teams. Support funding was also requested to properly equip and house the

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teams within our regional offices. In addition to the rapidly deployable teams; FEMA has requested funding to provide additional support to the Regional Response Coordination Centers, which provide situational awareness to our leadership and emergency management partners. The budget request provides for 17 new professional watch-standers, the majority of which will be allocated to the regions. These positions will establish a sustainable 24/7 watch in hurricane prone regions.

Operational Planning

To properly coordinate response to disasters with our State, local, tribal and private stakeholders FEMA has requested funding to provide for professional operational planners. The FY 2009 budget provides for 25 new operational planners to be distributed throughout the nation within the ten FEMA regions.

Preparedness

FEMA is placing a significant amount of emphasis on preparedness and strengthening the Federal-State partnership to better ensure we are teamed to achieve shared objectives for a safe, coordinated and effective response and recovery effort. The budget requests provides for 24 new preparedness professionals, the majority of which will be positioned throughout the regional offices.

Logistics

FEMA is committed to sending professional logisticians out to the regional offices and develop a regional logistics division that mirrors the headquarters components. The budget provides for 35 new positions devoted to logistics; 20 of which are expected to be sent to the regional offices.

Service to Disaster Victims

Disaster Assistance has been a priority for FEMA since the operational lessons learned following Hurricane Katrina; therefore, FEMA's budget request asks for additional staff in the regional offices that will be responsible for delivering high-impact Individual and Public Assistance Programs in the aftermath of a Presidentially-declared major disaster or emergency. The budget request provides 20 positions nation-wide for disaster assistance programs. Specifically, 12 positions will be provided to the regions for these functions. One new position will be provided for each region to specialize in either individual or public assistance programs. In addition, one extra position will be provided for region 4 and region 6 due to their high volume of disaster activity.

Mitigation

The focus of FEMA's mitigation directorate is to create safer communities by reducing loss of life and property, enabling individuals to recover more rapidly from floods and

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other disasters, and lessening the financial impact of disasters on the Nation. The majority of mitigation positions were allocated to the regions in our current year's budget. The President's FY 2009 budget requests provides for 21 new mitigation positions, some of which will augment the staff in our regional offices.

FEMA has made great progress and is taking the agency in a new direction, one that reflects a broader mission challenge, a wider set of partners, and a greater depth of mission perspective. The new FEMA will require new skill sets, a greater investment in our people, and new tools to ensure more effective emergency management. Ultimately the New FEMA is focused on keeping the American people safer than they were before and making our services more accessible by having more robust regional offices, including providing additional staff and supporting resources.

Question#:	2
Topic:	FEMA strike teams
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

Question: In its investigation into the response to Hurricane Katrina, this Committee found that FEMA's inadequate response teams contributed to the failed response and therefore the Post-Katrina Act required FEMA to establish strike teams – a special type of highly skilled and trained interagency emergency response teams – in each of the 10 regions. The President's proposed budget, however, only contains enough funding to build one strike team called for by the Post-Katrina Act, for a total of four regional teams by the end of FY 2009 – far short of the statutory requirement of 10 teams. Given the lessons learned from Katrina about the importance of adequate emergency response teams, why doesn't this budget request include enough to build all of the strike teams required under the Post-Katrina Act?

Answer:

The Post-Katrina Emergency Management Reform Act (Post-Katrina Act) mandated many significant improvements for FEMA. FEMA is implementing the changes with all possible haste. However, due to the extensive nature of the changes mandated and the available resources, FEMA of necessity must phase in some of the improvements. All those improvements have been prioritized based on the need for FEMA to build not only operational capability but also the infrastructure to support it. Operational tempo is also an important consideration. As the teams noted below are being developed and made operational, FEMA will be reviewing the make-up of the teams and adjusting future team development based on sound lessons learned.

As required in the Post-Katrina Act, FEMA is developing the next generation of rapidly deployable interagency emergency response teams, which the Post-Katrina Act referred to as strike teams, and FEMA has named Incident Management Assistance Teams (IMATs). These teams will coordinate the initial federal response, support the emergent needs of State and local jurisdictions, provide initial situational awareness for Federal decision-makers, and support the initial establishment of a unified command. These teams will ultimately satisfy the requirement to have three national-level response teams and regional-level emergency response "strike" teams.

During the design and development phase following the passage of the Post-Katrina Act, FEMA made decisions on team assets, equipment, and expected capabilities. The teams will subsume the existing mission and capabilities of the Federal Incident Response Support Teams (FIRSTs) and Emergency Response Teams (ERTs). The mission and capabilities of the IMATs will incorporate leadership, emergency management doctrine, and operational communications concepts similar to those in the FIRSTs and ERTs. The national-level and regional-level teams will be staffed with a core of full-time employees dedicated to the teams, unlike the ERTs which have been staffed on a collateral duty basis. IMAT teams will be fully compliant with NIMS and Incident Command System (ICS) principles and will train and exercise as an integral unit. One National IMAT is currently operational in the National Capital Region, and FEMA plans to stand up three Regional IMATs by summer 2008. IMAT program implementation is currently scheduled for completion by the end of FY 2009.

Question#:	3
Topic:	Red Cross interaction
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

Question: FEMA relies heavily on the American Red Cross for its mass care mission in response to disasters. The American Red Cross has recently announced it has a substantial deficit and will be making big staff and infrastructure cuts as part of its restructuring plan. Reports at this time suggest the reorganization will include cutting many of its disaster response and recovery workers and significantly scaling back many of the important response capacity increases that were made after Katrina. Some of these cuts will undoubtedly have a negative impact on the American Red Cross's ability to quickly respond to disasters

Given FEMA's reliance on the American Red Cross in large part for mass care in the event of a disaster, what is FEMA doing to fill this gap?

ANSWER:

As the initial response activities for small to major disasters are managed by American Red Cross (ARC) chapters at the local level, FEMA believes that these initial first-response type relief activities will be virtually unaffected. In places where there are no ARC chapters, services are coordinated through the ARC Service Area Offices (equivalent to Federal Regional Offices). These offices are slated to be eliminated as part of ARC's reorganization and reduction in force. FEMA is concerned that the elimination of this structure may lead to a delay in response and a reduction in services.

The projected ARC staff cuts include the elimination of subject matter expert Mass Care Managers assigned to FEMA Regional Offices. These Regional positions were responsible for day-to-day coordination among Federal partners and private non-profit agencies (PNPs) and the development of plans for response and recovery to large or catastrophic incidents. Additional ARC staff reductions include the Federal Operations Unit at ARC National Headquarters, which provides trained staff for NRCC activations and day-to-day planning activities. The reduction is likely to impact FEMA preparedness activities and ARC staffing of the NRCC during response operations and exercises. The anticipated staff reductions may produce a significant gap in planning and response coordination.

It is difficult to foresee the full implications of the reorganization until plans have been communicated by ARC. FEMA staff are continuing to build more robust relationships with other PNPs such as the Salvation Army, the Southern Baptist Convention, Feed the Children, and Americas Second Harvest to ensure our ability to effectively coordinate

Question#:	3
Topic:	Red Cross interaction
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

ESF #6 Mass Care and Emergency Assistance activities during response and recovery. FEMA HQ staff are working in collaboration with its Regional Offices to ensure the appropriate support to field operations by deploying FEMA Mass Care staff to JFOs and other field settings, as requested. FEMA Mass Care and Individual Assistance Technical Assistance Contracts (IA-TAC) staff are working together to ensure that IA-TAC contractor resources are available to fill Mass Care service delivery gaps.

Are adjustments to FEMA's budget needed to compensate for the expected American Red Cross budget cuts?

ANSWER: FEMA's dedicated staffing of the ESF #6 mass care function was designed to leverage ARC regional and headquarters mass care specialists with newly trained FEMA staff. The plan to train additional FEMA staff to compliment the dedicated ARC personnel assigned to FEMA will need to be adjusted because of ARC's reduction in force. FEMA is still in transition after taking over the entire ESF #6. Regional and headquarters ESF #6 staffing levels have not reached the desired operational requirement.

The full impact to overall coordination of response and recovery activities can only be fully determined once the Red Cross shares and implements its reorganization plan. Additional issues may be identified as the process moves forward.

Question#:	4
Topic:	FEMA NRCC
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

Question: FEMA's National Response Coordination Center (NRCC) is not designed to be able to handle classified material. Given that under the Post-Katrina Act, FEMA leads our response to disasters, both natural and man-made, I am concerned that FEMA will not have all the tools it needs in all such responses given the inability of the NRCC to handle classified material.

How much funding do you estimate is necessary to upgrade the NRCC so it can handle classified material?

Are the Regional Response Coordination Centers (RRCC) able to handle classified material?

If not, how much funding do you estimate is necessary to upgrade the RRCCs in each FEMA region so they can handle classified material?

Answer:

In accordance with the Post Katrina Emergency Management Reform Act (PKEMRA) of 2006, FEMA has completed the first phase of physical and communications upgrades to the National Response Coordination Center (NRCC) in FEMA Headquarters. The NRCC has been transformed into a true 24/7 operations coordination center to better support FEMA's disaster response mission. As the "Nation's Emergency Operations Center," the NRCC's ability to maintain communications and information sharing capabilities with other operations centers in an all-hazards environment is of critical national importance. The NRCC's connectivity with the DHS National Operations Center, NRF Departments and Agencies' operations centers, Joint Field Offices (JFO), etc., has been improved to enhance situational awareness, common operating picture capabilities, and equipment compatibility. Connectivity with the FEMA Regions has also been enhanced with the installation of standardized information technology and information sharing capabilities through interconnected video teleconferencing systems in the Regional Response Coordination Centers (RRCC).

Currently, the NRCC has only limited classified communications and information sharing capabilities. In today's threat environment and in consideration of FEMA's overall coordination responsibilities, it is critical that the NRCC have the capability to immediately process, receive, and share sensitive, classified material, including at the TS/SCI-level. The NRCC Watch Area must be able to ultimately operate at the TS/SCI-

Question#:	4
Topic:	FEMA NRCC
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

level in an all-hazards environment to ensure enhanced interoperability with the law enforcement, intelligence, and military communities.

FEMA plans to accomplish the NRCC upgrades to operate with a classified capability using an incremental approach. The first step of NRCC upgrades is intended to bring the operating capability up to the Secret level and the second step is intended to achieve TS/SCI capability. FEMA has already taken steps to acquire a design and engineering study to assess requirements and the best approach for proceeding with the upgrades. In addition, the RRCCs located in each of the ten FEMA Regions, have varying levels of classified capabilities. Eight of the Regions have limited capacity to handle sensitive documents, and upgrades will be necessary to provide all ten Regions with standardized TS/SCI communications and data processing capabilities, thus ensuring their ability to communicate and share information with the NRCC at the TS/SCI level.

In FY 07, \$ 700,000 was obligated to conduct an engineering analysis to assess requirements and the best approach for proceeding with NRCC upgrades, including meeting requirements to operate in a classified environment. The results of this engineering analysis are not yet available, but based on our preliminary analyses, it is estimated that \$ 28.1 Million would be required to upgrade the NRCC, NRCC COOP site, and the ten FEMA RRCCs to operate at the TS/SCI level as follows:

- \$ 5 Million for the NRCC upgrades including site preparation, construction costs and equipment acquisition;
- \$ 2.1 Million for NRCC COOP Site Upgrades to include engineering analysis, site preparation, and construction costs; and
- \$ 21 Million for RRCC Upgrades for engineering analyses, site preparation, and equipment acquisition for all 10 RRCCs.

Question#:	5
Topic:	FEMA housing
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

Question: A recent CDC report showed high levels of formaldehyde in travel trailers, mobile homes, and park models occupied by individuals receiving FEMA disaster assistance. Travel trailers, mobile homes, and park models have long been used by FEMA to house disaster victims.

As a result of the report, what type of housing solutions will FEMA offer to future FEMA disaster aid recipients?

Is any additional funding needed to ensure FEMA is able to work with FEMA disaster aid recipients currently living in travel trailers, mobile homes, and park models to move them to safe and healthy housing in an expeditious manner?

Given the results of the CDC study, what are FEMA's plans for the supply of travel trailers, mobile homes, and park models FEMA has in storage?

Answer:

FEMA only provides temporary disaster housing units when all other housing resources, including rental units, are unavailable. This assistance is only used as a last resort to provide safe, secure, and sanitary housing for eligible disaster victims. This form of temporary housing has proven enormously successful in many smaller-scale disasters, where the duration of occupation typically does not extend beyond 18 months. However, while many forms of traditional manufactured housing may prove invaluable to disaster victims anticipating a short occupation period, they were never designed for long-term occupation.

In July, 2007, however, FEMA temporarily suspended the sales and disposal of recreational vehicles (travel trailers and park models) currently in its inventory while the agency works with health and environmental experts to assess health-related concerns. As a result, FEMA has temporarily suspended the reporting of excess travel trailers to GSA for sales and donations.

FEMA's top priority is the safety of those affected by disaster, particularly those occupying temporary housing units. Based on the results of the recent formaldehyde testing conducted and the evaluation by the Centers for Disease Control and Prevention, FEMA has developed a plan to safely dispose of all travel trailers in its inventory.

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FEMA will continue to utilize and offer manufactured housing (mobile homes) that meets or exceeds Department of Housing and Urban Development (HUD) standards for use by disaster victims in major disasters. FEMA will have the air quality of manufactures housing units independently tested to determine formaldehyde levels prior to allowing any disaster victim to newly-occupy such a unit. FEMA will provide the test results and a compendium of formaldehyde risk and warning information to a State that has been declared a major disaster and that has requested direct housing assistance from FEMA. FEMA will also provide the intended occupant the same information provided to the State as well as information about relevant health considerations.

Alternative Housing Pilot Program (AHPP)

Recognizing that mobile homes and trailers are not ideal housing solutions, Congress provided \$400 million for FEMA to conduct an Alternative Housing Pilot Program (AHPP) to identify and evaluate alternatives to travel trailers and mobile homes. After a competitive process, pilot projects in Alabama, Mississippi, Louisiana and Texas were selected for grant awards. Projects submitted by the States included state-of-the-art engineering standards, designed to maximize energy efficiency with environmentally sound materials. Once tested and proven, these alternatives could potentially be used in response to future disasters. The AHPP sites will also include recreational areas for children and adults, community spaces, and support services for disaster-affected households.

Upon completion, these alternative housing projects are expected to provide between 4,100 and 4,900 units for occupation in Gulf Coast States. Actual occupation of units began in June 2007 (in one of the Mississippi projects) and is projected to be underway in all States by April of 2008. All units are projected to be occupied by December 2008.

The AHPP will be evaluated by the US. Department of Housing and Urban Development's (HUD) Office of Policy Development and Research. The evaluation will be used in two ways:

- (1) To learn what type of temporary housing solution is the best approach for a full range of housing needs - from a stay of only a few months to a semi-permanent, long-term housing solution; and
- (2) To assess how well States administer temporary housing programs.

We look forward to learning from these pilot projects, and are hopeful they will provide valuable and viable housing options for use in future disasters.

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Joint Housing Solutions Group

In September, 2006, FEMA established the Joint Housing Solutions Group (JHSG). The JHSG's purpose is to develop a systematic process to evaluate and rate various disaster housing options, identify viable alternatives to travel trailers and manufactured homes, and recommend improvements for conducting disaster housing operations. After the issuance of FEMA's July 31, 2007 Interim Direction suspending the use of travel trailers and park models, FEMA tasked the JHSG to identify and evaluate feasible forms of alternative housing on an accelerated timeline. The Joint Housing Solutions Group has evaluated 40 different types of units located across the country. They have looked at Gulf Coast cottages with front porches and standing-seam roofs, modular 'folding houses' that could transition to permanent housing, a steel modular modernist-design unit already in use in some areas, and housing units that basically are converted shipping containers. Costs range from \$15,000 to \$150,000, with most falling between \$20,000 to \$50,000.

FEMA is prepared to utilize these housing options in pilot tests in future disasters where we can further study their effectiveness in the field, and gauge occupant's responses to the alternative housing. In the meantime, the JHSG will continue to identify and assess the relative merits of additional forms of alternative housing.

Transitioning to Permanent Housing

One of our biggest challenges has been, and continues to be, helping families displaced by Hurricanes Katrina and Rita transition to secure long-term housing. While, over the years, FEMA has continued to be able to provide short-term temporary housing, we recognize that the expertise for longer-term housing resides in our Federal partners at the U.S. Department of Housing and Urban Development (HUD). HUD is responsible for administering the Housing Choice Voucher Program (HCVP), the nation's largest tenant-based subsidy program. HUD, with its recognized expertise in providing long-term housing programs, has been a particularly important partner in working with FEMA to create the new pilot Disaster Housing Assistance Program (DHAP).

Disaster Housing Assistance Program (DHAP)

On July 26, 2007, FEMA and HUD executed an Interagency Agreement (IAA) establishing the DHAP, a temporary housing rental assistance and case management program for eligible individuals and households displaced by Hurricanes Katrina and

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Rita. The program is currently being administered through HUD's existing infrastructure of Public Housing Agencies (PHAs). Local PHAs were awarded grants to provide rent subsidies to eligible individuals and households for a period not to exceed 15 months beginning December 1, 2007 and ending March 1, 2009. The designated PHAs will also provide case management services, which will include a needs assessment and individual development plan (IDP) for each family. The objective of the case management services is to promote self-sufficiency for the participating individuals and households. Ultimately, over 40,000 eligible residents displaced by the 2005 Gulf Coast hurricanes will continue to be provided assistance through this partnership with HUD.

Since this partnership began, HUD and FEMA have been working together to transfer information about tenants and their housing situation to ensure that the transition from one agency to another is as smooth as possible. In addition, HUD and PHAs have been aggressively reaching out to families eligible for assistance, sending letters, knocking on doors and calling households to verify information and ensure that no individual falls through the cracks. HUD has also deployed staff members to those cities where the largest numbers of displaced families are currently living.

This is the first time the Federal government has ever carried out such a program. As you may imagine, there are many challenges associated with such a transition. Understanding and clarifying the authorities of each agency, ensuring the right mix of skills and expertise to manage the caseload, and exchanging large amounts of complex data have been among the challenges that FEMA and HUD have faced and resolved, and both agencies are committed to continue to work together to make this new program work.

A Comprehensive, Collaborative Approach to Disaster Housing

There have been many challenges associated with housing a large population for extended periods of time. PKEMRA requires FEMA to develop a National Disaster Housing Strategy (NDHS). FEMA recognizes the need for a comprehensive NDHS, developed and supported by our Federal partners, that will consider types of housing to be used, roles and responsibilities for interim housing versus long term housing, the responsibilities of the federal government versus states and localities, and also other challenges that may exist in implementing solutions

The NDHS will convey national guidance and a vision for providing disaster housing assistance. It will define the roles, programs, authorities, and responsibilities of all entities, detailing shared responsibilities and emphasizing the cooperative efforts between Federal, state, and local jurisdictions required to provide disaster housing assistance. The NDHS will outline the most efficient and cost-effective options for meeting disaster

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housing needs, and serve as the basis for pre-event planning by all organizations with roles or responsibilities in disaster housing.

The NDHS describes and will address how disaster victims typically move through the continuum of disaster housing as they work to achieve a permanent housing solution. While *sheltering* options are generally available to all affected persons, government-funded interim and permanent *housing* programs have specific eligibility criteria; therefore, not all disaster victims will be eligible for all housing programs. However, the range of program options and alternatives identified within the NDHS will ensure a comprehensive spectrum of viable, available solutions for essential, disaster-related housing needs.

To develop the framework of the NDHS, FEMA initially collaborated with Federal, State, local, and voluntary entities that provide sheltering and housing services to organize information about what can currently be accomplished under existing authorities. Several meetings and working sessions with these partners also focused on serving populations with disabilities, uniformly addressing access issues, special needs, and fair treatment.

The NDHS is under final review in FEMA and will be submitted to Congress before being issued as National Guidance.

FEMA's commitment to improving disaster housing operations can be seen in recent disaster response operations. Following the California wildfires, a Housing Task Force was convened to support local governments by identifying short- and long-term housing options and actions that could be taken to help displaced residents find transitional housing. The task force developed a comprehensive housing plan that included identifying the most heavily impacted areas, on-the-spot registration of shelter populations, analyzing shelter and mass care operations, transitioning applicants to temporary housing, individual case management for applicants with major damage to their primary residences, identifying available rental resources, assessing and assisting special needs populations, and working with local voluntary agencies to identify additional assistance resources. Our response to the recent Tennessee and Arkansas disasters was just as swift and effective.

The lessons FEMA has learned, and the challenges we have faced have served as an impetus to reshape and improve how we deliver assistance. Even when FEMA has faced challenges, we have regrouped, refocused and recommitted to keeping the promise the Administration made over two years ago - helping households recover and re-establish themselves.

Question#:	6
Topic:	risk assessment report
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

Question: The Implementing Recommendations of the 9/11 Commission Act of 2007 ("9/11 Commission Recommendations Act") requires that DHS, through the FEMA Administrator, provide to Congress each year a "detailed and comprehensive explanation of the methodologies used to calculate risk and compute the allocation of funds for grants administered by the Department." This risk assessment report is designed to bring transparency to a risk assessment and grant allocation process that has changed each year, sometimes in significant and baffling ways. The 9/11 Commission Recommendations Act requires that this risk assessment report be provided to Congress each fiscal year by the earlier of (a) October 31 or (b) 30 days before the Department's issuance of the grant guidance for that fiscal year. This means that in FY08, when grant guidance was not issued until February 1, 2008, the risk assessment report was due October 31, 2007. Congress, however, has not yet received the report for FY08.

When will the Committee receive the required risk assessment report for FY08?

Why has there been such a significant delay in providing Congress with this report?

Will you commit to submitting the FY09 risk assessment report by the statutory deadline?

Q1: When will the Committee receive the required risk assessment report for FY08?

A1: The Department provided the FY 2008 risk assessment report to the Committee on March 7, 2008.

Q2: Why has there been such a significant delay in providing Congress with this report?

A2: As you are aware, the risk formula is a complex process and the Department just recently finalized the FY 2008 risk methodology. Once the methodology was completed, the Department prepared a report to meet the requirements of the 9/11 Commission Act of 2007.

Q3: Will you commit to submitting the FY 2009 risk assessment report by the statutory deadline?

A3: In FY 2009 the Department will make every effort to meet the statutory requirements of the 9/11 Commission Act of 2007.

Question#:	7
Topic:	Project Seahawk
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

Question: The SAFE Port Act of 2006 authorized the creation of additional maritime interagency operations centers, similar to Project Seahawk in Charleston, South Carolina. At a hearing last November (2007), the Committee learned that Project Seahawk is supposed to begin a transition from the Department of Justice to the Department of Homeland Security, though Department's timing for this remains unclear. Initial funding for Project Seahawk provided sufficient resources to fund the center through FY2008, however DHS' proposed budget for FY2009 does not include any funding to continue Project Seahawk's work.

What is the Department's plan and timeline for transitioning Project Seahawk from the Department of Justice to DHS?

Do you expect this transition can be completed in 2008? If not, will it be completed in 2009?

ANSWER: The Department of Justice (DOJ) is using the original Seahawk project funding to continue operations through the end of FY09. DOJ and the Department of Homeland Security (DHS) are engaged in discussions regarding the continuation of the Seahawk operation as an Interagency Operations Center (IOC) after October 1, 2009. The Department intends to continue providing IOC capability for the port of Charleston.

Question#:	8
Topic:	maritime interagency operations centers
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

Question: Congress appropriated \$50 million for the creation of additional maritime interagency operations center in FY2008, but the proposed budget for FY2009 does not include funding for additional centers. It is the Committee's understanding that DHS is currently developing a spend plan for the \$50 million appropriated for FY2008, so DHS and the Coast Guard can begin initial development of additional centers at major ports around the country.

When will DHS complete that spend plan, and will you provide a copy to the Committee once it has been completed?

What criteria will DHS use to determine when or how it will provide assistance to ports seeking to establish similar maritime interagency operation centers?

Why doesn't the proposed budget for FY2009 include funding for additional maritime interagency operations centers?

ANSWER:

A. The Report to Congress outlining the Interagency Operations Center expenditure plan is currently being reviewed for approval within the Department. Upon approval, a copy of the report will be provided to the appropriate committees as requested.

B. DHS places a premium on Port Security grant applications that improve seaport coordination and integration. Typically, the Port Security Grant Program (PSGP) provides grant funding to the top 102 ports (i.e., which are derived from the Port Criticality List and represent some 95% of U.S. commerce) for the protection of critical port infrastructure from terrorism. However, all U.S. ports are eligible to receive funding. PSGP funds cannot be used to build command centers or other capital projects, but they can be used to enhance them. Federal agencies are precluded from being the direct recipient of PSGP funds. Local and other non-Federal entities receive the funds.

PSGP funds are primarily intended to assist ports in improving physical security, enhancing risk management capabilities, providing maritime domain awareness, developing and improving capabilities to prevent and respond to improvised explosive devices (IED), as well as conducting training and exercises. The USCG and FEMA work together very closely, and set program goals and objectives based on local port authority input.

C. The President's FY 2009 Request seeks \$1M for Command 21, the Coast Guard acquisition program to establish Interagency Operations Centers (IOC) capability at Coast Guard Sector Command Centers in "high priority" ports. We intend to combine Command 21 and Interagency Operations Centers into a single IOC project to establish IOC capability at 24 Coast Guard Sector Command Centers in "high priority" ports. The IOC project would be the vehicle for future command center upgrades.

Question#:	9
Topic:	FPS
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)

Question: Recently, GAO testified that the Federal Protective Service is experiencing staffing and operational issues that may expose federal facilities to a greater risk of crime or terrorist attack. See GAO, Homeland Security: Preliminary Observations on the Federal Protective Service's Efforts to Protect Federal Property (February 2008, GAO-08-476T), at 1-2. FPS's workforce, including operational and support personnel, decreased by about 20 percent from fiscal year 2004 to the end of fiscal year 2007. Ibid. at p. 2.

The fiscal year 2008 omnibus appropriations bill contained a provision requiring FPS to have at least 1,200 full-time equivalent staff positions by July 31, 2008. The Department's congressional budget justification states that the appropriations passed too late to incorporate the costs of the minimum staffing level at FPS, and that the Department intends to seek repeal of the provision.

Please state what fee increases or appropriations would be needed to implement the minimum staffing provision.

Answer:

On February 28th, the Secretary notified the Appropriations Committees that, in order to comply with the requirements for the staffing of the Federal Protective Service under the Consolidated Appropriations Act of 2008, FPS will raise its basic security fee from \$0.57 per square foot to \$0.62 per square foot in FY 2008 and to \$0.66 per square foot in FY 2009 to generate the necessary revenue to recover the costs associated with hiring and maintaining these employees.

Question#:	10
Topic:	demonstration projects - part 1
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: We learned on September 11, and again during Hurricane Katrina, how important it is for our first responders to be able to communicate with each other. I am pleased that the budget includes \$50 million for interoperable communications grants. However, I authored language that was included in the legislation implementing the recommendations of the 9/11 Commission last year (Public Law 110-53) that establishes at least six interoperability demonstration projects (three on the northern border, and three on the southern border). The FY09 budget does not provide any funding for the establishment of those demonstration projects which will improve collaboration and help identify solutions to interoperable communications problems on our international borders.

It appears that DHS is moving to establish the demonstration projects. Why was funding not included in the FY09 budget?

Answer:

The International Border Community Interoperable Communications Demonstration Projects outlined in Section 302 of the Improving America's Security Act of 2007 (Public Law 110-53) were not funded as part of the Homeland Security Appropriations Act of 2008. Further, allocations for these demonstration projects were not included in the Fiscal Year 2009 President's Budget Request because the law was authorized after the Department's FY 2009 budget submission.

However, the DHS Office of Emergency Communications has begun preliminary planning for the demonstration projects to prepare for eventual funding. These preliminary planning activities include the development of a project selection methodology and cost estimates, and preliminary coordination with the Federal Communications Commission and the National Telecommunications and Information Administration.

Question#:	11
Topic:	demonstration projects - part 2
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: The FY 2008 omnibus appropriations bill included \$3 billion for border security. Of that amount, Customs and Border Protection's Border Security Fencing, Infrastructure, and Technology account included the following: "Provided further, That of the amount provided under this heading, \$650,000,000 shall not be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure, prepared by the Secretary of Homeland Security and submitted within 90 days after the date of enactment of the Act." It is my understanding that DHS is currently working on the expenditure plan. Will it include a portion of that funding for the demonstration projects?

Answer:

The CBP SBI budget request within the BSFIT (border security, fencing, infrastructure, and technology) appropriation is not the program in CBP that supports interoperable communications demonstration projects outlined in Public Law 110-53, therefore the CBP BSFIT Expenditure Plan (for FY08 funding) does not provide any funding for the establishment of the demonstration projects that will improve collaboration and help identify solutions to interoperable communications problems on our international borders.

Question#:	12
Topic:	beneficial ownership
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: For years I have been concerned about the lack of information about beneficial owners of U.S. corporations obtained by States. Nearly 2 million U.S. companies are formed each year without anyone knowing who is behind them. A person who wants to set up a U.S. company typically provides less information than is required to open a bank account or get a driver's license.

There have been a number of reports demonstrating just how much the lack of beneficial ownership information hinders law enforcement, including reports by the Government Accountability Office, Treasury's Financial Crimes Enforcement Network, and the Financial Action Task Force on Money Laundering (FATF). In 2005, DHS helped co-author the U.S. Money Laundering Threat Assessment, a joint report that devoted an entire chapter to law enforcement problems caused by anonymously held U.S. shell companies and trusts. FATF recently cited the United States for being out of compliance with one of its key recommendations, that countries collect beneficial ownership information for the legal entities they create.

Does the lack of corporate beneficial ownership information impede law enforcement efforts to combat terrorist financing and fraud and, if so, can DHS provide examples of how law enforcement has been impeded by this lack of information?

Would you agree that as part of the incorporation process, States should obtain and keep updated beneficial ownership information?

Answer: In countless investigations, where the criminal targets utilize shell corporations, the lack of law enforcement's ability to gain access to true beneficial ownership information slows, confuses or impedes the efforts by investigators to follow criminal proceeds. This is the case in financial fraud, terrorist financing and money laundering investigations. The lack of beneficial ownership information connected to these shell corporations forces an investigator to use circumstantial evidence to link criminal or terrorist funds that are moved through these vehicles to the criminal organization. Doing this is time consuming and increasingly difficult.

For example, in one ICE investigation, the target of the investigation, who resided in Nevada, utilized a Nevada shell corporation to purchase a vehicle in California. Through a representative, he then had the vehicle registered to another shell corporation in Oregon. He directed the dealership, through his representative, to have the vehicle

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delivered to a parking lot in Las Vegas, upon which he stored the vehicle in a storage garage, which was rented in the name of a Delaware shell company. In each step of the process, there was no evidence that linked him to this purchase. Early on in the investigation, when the bank records were being analyzed and the purchase documents obtained from the dealer, it was unclear who truly owned the vehicle. Only upon conducting search warrants at the time of the arrest of the target were the investigators able to locate the vehicle and unravel the true ownership of the car, which had been purchased with \$125,000.00 in fraudulently obtained funds. This is just one example of how the lack of access to beneficial ownership information attached to corporate records can impede identification of criminally obtained assets or impair the ability to follow the paper trail of laundered funds.

Question: Would you agree that as part of the incorporation process, States should obtain and keep updated beneficial ownership information?

Answer: Yes. It is imperative that States maintain beneficial ownership information while the company is active and to have a set time frame for preserving those records. Shell companies can and often do change hands, from the original incorporating entity or representative to one or many individuals who utilize these entities. This common habit allows criminal organizations to utilize a shell company for a short period of time and change it out to an entirely different entity, thus increasing the anonymity attached to any one company. Shell companies can be sold and resold to several beneficial owners in the course of a year or less. Additionally, the recycling of shell companies to different users over time gives it the appearance of longevity and legitimacy.

By maintaining records not only of the initial beneficial owner but of the subsequent beneficial owners, States will provide law enforcement the tools necessary to clearly identify the individual(s) who utilized the company at any given period of time during the company's history. This is the only way that an investigator can be confident that they are truly identifying the owner of any given bank account or asset attached to an identified shell company.

Question#:	13
Topic:	fire grant program
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: In 2000, we passed the FIRE Act to provide firefighters with a dedicated program to help address a wide variety of equipment, training, and other firefighter-related needs. Since that time, thousands of firefighting personnel in Michigan and throughout the country have relied on this program for the training, firefighting equipment, protective gear, and prevention programs that keep our citizens safe.

The Administration's FY2009 budget for the fire grant program states that priority will be given to "applications that enhance capabilities needed for terrorism response and other major incidents." Yet, the fire grant statute (15 U.S.C. 2229) defines the purpose of the program as "protecting the health and safety of the public and firefighting personnel throughout the Nation against fire and fire-related hazards." In your view, is the original intent of the fire grant program --protecting the public and firefighters against the day-to-day ravages of fire -- still valid and worthy of federal support? Or should the fire grant program exclusively be focused on response capabilities in the event of terrorist attacks or major disasters?

The Administration has proposed a 46% cut in the fire grant program for FY2009, and has proposed to eliminate the SAFER program (Staffing for Adequate Fire and Emergency Response) which seeks to increase the number of firefighting personnel. A 2006 fire service needs assessment conducted by the U.S. Fire Administration (USFA) showed that: 60% of fire departments do not have enough self-contained breathing apparatus to equip all firefighters on a shift; 65% of fire departments do not have enough portable radios to equip all emergency responders on a shift; and only 12% of fire departments can handle even a small hazmat/emergency medical service incident involving chemical or biological agents. Given these shortfalls, do you think substantial cuts in firefighter assistance are warranted?

In FY2006, fire departments applied for \$2.3 billion in fire grant funds. In FY2007, fire departments requested \$3.1 billion, a 35% increase. Meanwhile, the Administration's request for assistance to firefighter grants has gone from \$500 million in each of years FY2004, FY2005, and FY2006, to only \$300 million in each of years FY2007, FY2008, and FY2009. At a time when demand for fire grant funding appears to be increasing, the Administration continues to propose substantial cuts in firefighter assistance. Given this increase in demand, why do you believe that substantial cuts in firefighter assistance are warranted?

I understand that negotiations are underway with the Office of Management and Budget

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regarding the 2008 Assistance to Firefighters Grant (AFG) Program Guidance, which may require the removal of the Wellness/Fitness and Modifications to Facilities sections of the program. Additionally, I have heard concerns that DHS is tying more hazmat and anti-terrorism preparation to the AFG. What is DHS doing to ensure that the Assistance to Firefighters Grant program stays with its purpose to make grants for protecting the health and safety of the public and firefighting personnel against fire and fire-related hazards?

Q1: In your view, is the original intent of the fire grant program –protecting the public and firefighters against the day-to-day ravages of fire -- still valid and worthy of federal support? Or should the fire grant program exclusively be focused on response capabilities in the event of terrorist attacks or major disasters?

A1: I do not believe that the two goals are mutually exclusive. Firefighters provide important daily protection for the communities they protect using very much the same equipment and training that they would use in small probability/large consequence events (i.e., terrorist attack, earthquake, etc.) This is often referred to as “dual-use”.

Q2: Given these shortfalls, do you think substantial cuts in firefighter assistance are warranted?

A2: As was pointed out, fire departments in Michigan and elsewhere have come to depend upon the fire grants to sustain the needs of community fire departments. This is an issue – the Assistance to Firefighters Grant (AFG) program was never intended to supplant local support, but to supplement it. We must be vigilant to ensure that the critical connections of the local fire service to the local population are not replaced by a Federal program but that the AFG is targeted to the disadvantaged. The AFG is intended to fund the neediest departments that cannot access local support. A budget of \$300M is a substantial funding commitment and will allow us to make nearly 3,000 grants and reach the neediest U.S. Fire Departments.

Q3: At a time when demand for fire grant funding appears to be increasing, the Administration continues to propose substantial cuts in firefighter assistance. Given this increase in demand, why do you believe that substantial cuts in firefighter assistance are warranted?

A3: The increase from FY2006 to FY2007 is somewhat artificial because we allowed applicants to submit as many as 3 applications in FY2007 whereas in FY2006 they could submit only one. The number of applicants in FY2007 actually went down from FY2006

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Topic:	fire grant program
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

– 18,172 applicants to 16,640. Nevertheless, the amount of money being requested per application has been increasing since the program's establishment in FY2001. This may be an indication that some fire departments (and local jurisdictions) are expanding their statements of needs in their AFG applications and are hence relying on federal funds more and more to support what has traditionally been a local responsibility.

Q4: What is DHS doing to ensure that the Assistance to Firefighters Grant program stays with its purpose to make grants for protecting the health and safety of the public and firefighting personnel against fire and fire-related hazards?

A4: The grant guidance for FY2008 is now out, and the two activities cited (wellness/fitness and modifications to firefighting facilities) are still eligible. We do believe that terrorism preparedness is a national priority and continue to define how AFG can support both the day-to-day operations of fire departments as well as contributing to the national priority. More importantly, we continue to rely on user constituency to frame the program each year, and to review the best of the applications received. The fire service's involvement in AFG has always been its fundamental strength and it will continue to be so.

Question#:	14
Topic:	northern border agents
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: The Department's FY09 Budget provides funding to train and equip 2,200 new Border Patrol agents. How many of those agents will be assigned to the Northern Border?

Answer:

In FY 09, CBP will increase the number of Border Patrol Agents on the northern border by 375 agents. This will bring the total number of Border Patrol Agents on the northern border to 1,845. This number represents a 25% increase over the FY 08 northern border staffing goal of 1,470 agents. OBP anticipates that it will take approximately 515 agents to offset attrition and achieve a net gain of 375 agents.

OBP does not send newly hired Border Patrol Agents to the northern border. Agents on the northern border are required to perform self-directed and advanced job functions such as such as intelligence gathering, liaison efforts with other agencies and advanced case preparation. At the Border Patrol Academy, interns are taught core job competencies specific to the southwest border. Upon graduation, all interns are sent to duty stations along the southwest border where they can apply these core competencies as well as develop advanced competencies needed to be proficient on the northern border.

In conclusion, all 2,200 new Border Patrol Agents trained and equipped in FY 09 will be assigned to the southwest border. However, 515 of these new agents will backfill experienced agents reassigned from the southwest border to various locations along the northern border during FY 09.

Question#:	15
Topic:	background name checks
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: The FY07 U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act (P.L.110-28) included \$8 million to reduce the backlog of background name checks associated with the FBI's National Name Check Program. The report to the FY08 Consolidated Appropriations Act (P.L.110-161) specifies that \$20 million shall be used to reduce the backlog.

How has the FY07 funding been used?

How will the FY08 funding be used?

What progress have you seen in the reduction of the backlog?

What is the Department's plan to reduce the backlog?

What resources will be necessary to eliminate the backlog?

Answer: USCIS is working aggressively with the FBI to address the FBI name check backlog through both process improvements and substantially increased capacity at the FBI dedicated to USCIS workload. Through both special appropriations from the Congress and USCIS fees, DHS has allocated more than \$34.5 million to eliminate the FBI name check backlog. In FY07 USCIS provided \$6.5 million in addition to the \$8 million that Congress appropriated, committing a total of \$14.5 million to the FBI to expand their contract workforce to process FBI name checks for USCIS immigration benefit applications. FBI has used these resources to hire more than 200 new contractors, up from a handful of contractors and FBI employees last year. These contractors have been hired and trained specifically to work on FBI name checks associated with USCIS applications. For FY08 appropriations, USCIS and FBI are completing a spend plan for the \$20 million in supplemental appropriations also dedicated to the USCIS application-related FBI name check backlog. This additional \$20 million will extend and expand the contractor workforce through most of FY 2009. To summarize, these resources total to \$34.5 million over and in addition to the regular fees paid to FBI by USCIS for FBI name checks.

In addition to the use of resources to add new contract staff, USCIS and FBI have developed a number of process improvements to address the backlog. First, FBI and USCIS have refined the focus of the FBI name check to concentrate on obtaining access to information within FBI files which is most critical to adjudication decisions and

Question#:	15
Topic:	background name checks
Hearing:	DHS Budget Submission for FY '09
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security needs. Second, USCIS has altered its policy for certain applications. For those persons with pending adjustment of status applications, if the individual is otherwise eligible and no actionable derogatory or adverse information has been returned by the FBI within 180 days of submission, then USCIS will approve the application. Any applications that are approved under this policy will be closely monitored. Should any actionable adverse information be returned from the FBI, DHS can immediately initiate removal proceedings.

Initial results of these efforts are positive. But this is just the beginning. We are confident that over the next several months we will see dramatic progress in reducing FBI's pending name check request backlog. Our joint goal with the FBI will be to completely eliminate this backlog by the summer of 2009.

Question#:	16
Topic:	emergency food and shelter
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: In his FY09 budget, the President cut the Emergency Food and Shelter Program by about one-third, from a FY08 enacted level of \$153 million to FY09 proposed level of \$100 million. This program is used to supplement soup kitchens and shelter providers throughout the nation. In 2008, the nation's economy is struggling, over one million homeowners received foreclosure notices last year, and household budgets are strained with rising food and energy prices. Did you take these factors into account in deciding to reduce FEMA's Emergency Food and Shelter program by \$53 million, a cut of about 35 percent?

Answer:

The FY 2009 request reflects a refocus of resources on the primary mission of preparing for and coordinating disaster response and recovery efforts while still providing non-disaster funding to support the EFS program.

Question#:	17
Topic:	IT projects
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: The Department has been criticized for its lack of control and direction to individual agencies within DHS with regard to IT projects which has led to inefficiency, redundancy in programs, incompatibility issues, and information sharing problems.

What steps have you taken, or do you plan to take, to ensure that these problems do not plague future DHS IT projects?

Answer:

The Department's Investment Review Process is currently undergoing revision through a partnership between Chief Procurement Officer (CPO), Chief Financial Officer (CFO), Office of Policy and Chief Information Officer (CIO). The Department-wide Planning, Programming, Budgeting and Execution (PPBE) is also undergoing revisions to ensure a common integrated requirements generation framework, referred to as the Integrated Requirements Planning Process. The purpose of this process is to identify goals and priorities in terms of capabilities and to utilize capabilities-based planning to define performance objectives and requirements. The Department is also re-vamping the Integrated Planning Guidance so that it serves as a better tool for investment decisions and prioritization of investments. This effort will be closely aligned with the Homeland Security Enterprise Architecture.

As DHS continues to improve the management and oversight of IT and Non-IT projects, reporting will play a major role in the department's overarching goal to institute a comprehensive and effective approach to aligning departmental missions with investments, program strategies, individual project direction, and execution oversight. With stronger reporting processes and tools, managers will be better equipped to assess performance progress. Over the last three years, components have provided performance data on a quarterly basis using the Periodic Reporting process; however, this tool is limited to program data only. To better monitor program health, managers and executives need to begin to capture and assess timely department-wide performance metrics at a project level for major acquisition programs. To ensure DHS meets the highest standards for management and oversight, CPO will lead a collaborative effort with CIO to re-engineer the periodic reporting system.

During Fiscal Year 2008, DHS will conduct a pilot evaluation of the improved efficiencies to the new periodic reporting process as well as modify process steps to improve overall effectiveness. The pilot will also incorporate the Probability of Project

Question#:	17
Topic:	IT projects
Hearing:	DHS Budget Submission for FY '09
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Success tool which is a risk analysis tool based on those currently used at the Department of Defense and the US Coast Guard. One of the main objectives of this standardization effort is to generate consistent guidance to help program managers effectively capture monthly data and to use these data to better manage acquisition programs.

CIO is supporting these Headquarters (HQ) efforts to ensure that alignment exists between the overarching investment management efforts and the CIO's integrated governance process. Together, these HQ entities are working to establish better planning guidance for programs so that investment documentation accurately reflects the requirements for review. CIO will work closely with HQ entities and Components to establish alignment of programs to mission priorities and develop explicit guidance for the allocation of resources and measure performance.

How does DHS plan to empower the DHS Enterprise Architect to enable him or her to influence the high level IT direction at the component level?

DHS has a maturing and effective enterprise architecture program. Target architecture was set in 14 key technology areas last year. The scope of our enterprise architecture program was increased during FY-2007 to include review of all IT procurements over \$2.5 million for compliance with the Homeland Security Enterprise Architecture (HLS EA). This brought various investments into the Enterprise Architecture Board review process that had not been previously aligned with the HLS EA. The DHS integrated planning guidance and resource allocation decisions include recommendations from the CIO, based on the target enterprise architecture, that reflect mission driven technology solutions. DHS is also re-structuring its investment review process to ensure IT programs align and comply with the HLS EA.

Question#:	18
Topic:	blue water bridge plaza - 1
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: The State of Michigan is proposing to undertake a \$433 million expansion of the Blue Water Bridge Plaza in Port Huron. In data supplied to me by the Michigan Department of Transportation, the average wait time from mid-April through the end of December 2007 for commercial traffic at the bridge was 26 to 96 minutes. We have been unable to obtain comparable data for passenger waits, although wait times of up to 4 hours have been reported. Can you provide recent data on passenger wait times for the Blue Water Bridge Plaza in Port Huron?

Answer:

A review of passenger vehicle, privately owned vehicle (POV), and commercially owned vehicle (COV) wait times for the period October 1, 2006 through February 29, 2008 (17 months) for the Blue Water Bridge Plaza in Port Huron reflects the following:

For POV, wait times were more than 60 minutes but less than 130 minutes for limited times during the day for 29 days during the 17-month sampling time period. The remainder of the times during those days had a wait time less than 60 minutes. Additionally, for the remainder of the days in this span the wait times were less than 60 minutes. These higher wait times occurred on average between the hours of 12:00 noon and 8:00 pm.

For COV wait times were more than 60 minutes but less than 130 minutes for limited times during the day for 38 days during the 17-month sampling time period. The remainder of the times during those days had a wait time less than 60 minutes. Additionally, for the remainder of the days in this span the wait times were less than 60 minutes. These higher wait times occurred on average between the hours of 11:00 am and 9:00 pm.

Question#:	19
Topic:	blue water bridge plaza - 2
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: The Blue Water Bridge currently has a total of thirteen inspection booths: seven passenger booths, one Nexus Fastpass booth, and five commercial booths. The preferred alternative plan will have twenty booths and be expandable to thirty.

Are the booths at these lanes currently fully staffed?

What is the current number of staffed booths at the plaza?

What are the current staffing numbers at the plaza?

Could staffing be increased to speed things up and reduce wait times? And if so, why is this not being done?

Is it true some of the wait time to cross the bridge is intentional, because it helps CBP inspectors spot problems with some suspicious persons the longer people wait?

With the State of Michigan preparing to spend hundreds of millions of dollars to improve the international border crossing in Port Huron, including significantly increasing the number of inspection booths, it is essential that these booths be adequately staffed. Will the Department of Homeland Security promptly staff the additional booths to reduce delays occurring at the Blue Water Bridge?

Answer:

Customs and Border Protection (CBP) management at the ports of entry determine the level of staffing based on location specific criteria. The booths at the Blue Water Bridge Plaza are fully staffed during peak times.

The port of entry has 13 primary lane booths which are all fully staffed during peak traffic hours.

For national security and law enforcement reasons, CBP does not publicly disclose the number of CBP officers located at U.S. ports of entry (POEs). CBP has adequate staffing to fully staff all 13 primary lane booths during peak traffic hours.

Staffing could not be increased to "speed things up," as noted, the POE is fully staffed during peak traffic hours.

Question#:	19
Topic:	blue water bridge plaza - 2
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

It is the policy of CBP to protect the United States from threats posed by terrorist organizations and to prevent terrorists as well as suspected terrorists, including Weapons of Mass Effect (WME) and their precursors from entering the United States. As such, CBP Officers are individually tasked with numerous responsibilities in conducting the processing of passengers and vehicles.

CBP officers employ a layered screening methodology, and employ behavioral analysis, interview skills, and name and vehicle data-base checks to determine the purpose and intent of visitors and returning citizens and residents. In order to fulfill their responsibilities, CBP officers, must thoroughly examine travel documents and assess their authenticity and establish identity. The process involves adequately determining citizenship and admissibility, establishing the duration and purpose of the trip, obtaining a binding CBP declaration, and performing a visual exam of the vehicle. CBP is extremely successful in employing this approach. In doing so, CBP is able to identify high-risk travelers who warrant further inspection while also facilitating the movement of legitimate travelers, trade and conveyances.

With an increase in the number of primary booths, CBP will reassess the staffing allocation at the port to ensure that all booths will be fully staffed during peak traffic.

Question#:	20
Topic:	blue water bridge plaza - 3
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)

Question: The current Blue Water Bridge Plaza was rebuilt in the 1990s and was expected to address the needs for decades to come. Subsequent studies claim the design of the “improved” plaza is inefficient and ineffective. The City of Port Huron and its residents are concerned that this problem will occur again. They are also concerned that DHS is taking more land than is necessary for its operations and staff. They would like to be assured that the proposed plaza will be designed so that all of the land the city loses will be used and that the new plaza will provide the solution to the security and traffic problems occurring on the bridge.

Will you share specific draft design plans and specifications with City of Port Huron officials or their designees and ask them for their suggestions and understanding? The city has offered to have one or two officials or designees submit to background inspections for the purposes of security clearance.

What is the least amount of acreage on which Customs and Border Patrol can produce an effective, efficient inspection and security facility at this location?

Answer:

CBP has worked with the State of Michigan to ensure that the new Blue Water Bridge Plaza will meet present and future requirements and no further action is anticipated concerning presenting the draft design plans to the City of Port Huron or its officials.

In the past, both the Michigan Department of Transportation (MDOT) and CBP have included the City of Port Huron in the process since the Blue Water Bridge expansion project began. The most recent involvement included a public hearing on the Draft Environmental Impact Statement on October 9, 2007, and a Port Huron City Council meeting on October 22, 2007, at which the Assistant Director of Field Operations (ADFO) for Border Security made a presentation and answered questions. In addition, MDOT conducts Advisory Committee meeting in which both the City of Port Huron and CBP participate. The last Advisory Committee meeting was held on December 13, 2007, and the next is scheduled for April 24, 2008.

As a matter of practice, CBP’s design standards are not released to the public; they are for official use only. The attached letter from August outlines CBP’s commitment to working with the community on these matters.

The current alternative that CBP and the State of Michigan have worked out that adequately addresses CBP’s requirements is 69 acres.

Question#:	21
Topic:	contractors
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: DHS's budget submission mentions converting some contractor positions to federal workers, saving the Department money. GAO has testified before this committee that an over-reliance on DHS contractors may be harmful. Does this budget reflect a commitment to conversions department-wide, and do you have any specific goals or milestones for conversions?

Answer:

In accordance with the Secretary's goal to strengthen and further unify our management capabilities, we are trying to ensure that no inherently governmental work has been inappropriately contracted; assure that minimum core mission and oversight capabilities have been retained in-house; and assure that contract performance remains cost-effective. No finite numeric goals or limitations have been set, but we are currently preparing to examine conversions from contract to in-house performance to assure and strengthen maintenance of minimum residual core capabilities for the Department. Our largest analysis effort thus far is currently underway within the National Preparedness Programs Directorate and thus far, we have found no instances of contracting inherently governmental work.

As a part of our annual DHS FAIR Act inventory effort, DHS Components are asked to review their existing service contract workload - again to discern whether that work is: (a) inherently governmental and must be consistently converted to in-house performance as a matter of law; (b) is commercial, but otherwise meets the definition of a FAIR Act/A-76 Reason Code "A" exempt/core activity; or (c) is commercial, but the cost of contract performance appears excessive and may warrant a competition to authorize the conversion of the work from contract to in-house performance.

Question#:	22
Topic:	training
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: Making sure that DHS's acquisition workforce is well trained is just as essential as the number of individuals in the acquisition workforce, perhaps even more important. What resources has the Department made available for training and retraining its current acquisition workforce?

Answer:

The Office of the Chief Procurement Officer recognized and supported a centralized acquisition workforce training program as a key component to a long term acquisition workforce succession plan. Merely hiring more bodies without adequate training and development does not solve the problem of a shortage of qualified acquisition personnel. Over the last year and a half, the Department has accomplished the following:

The implementation of a centralized acquisition workforce training program began in Fiscal Year (FY) 2007 with a \$1 million budget. The acquisition workforce office procured support services to benchmark other federal agencies acquisition and career field training, develop plans for mitigating the workforce training competency gaps, and develop a methodology for tracking training and registration. In FY 2008, the Department allocated \$4.5 million to the acquisition training fund, to sustain a viable long term training plan.

The Department is using a three-tiered approach: First, we are utilizing the training allotted through the Acquisition Training fund as managed by the Federal Acquisition Institute (FAI) to the extent that it can be used. FAI's portfolio is primarily concentrated on the use of commercial providers for contracting career field classes. Secondly, to make up the difference between that which FAI is prepared to deliver and the Department's actual needs, we are supplementing the contracting career field certification classes as well as targeted training classes with the use of our own procurement of commercial vendors, off-the-shelf classes and developmental efforts. Finally, DHS has entered into a long-term partnership with the Defense Acquisition University (DAU) to leverage off their existing infrastructure, curriculum development, course delivery and services as the Department expands its definition of the acquisition workforce beyond contracting and program / project management into such areas as Test and Evaluation, Budget/Financial Management, and Systems Engineering. In each successive year, DHS will be offering training to more contracting personnel as we expand our contracting intern program, as well as adding more acquisition competencies. These efforts must be on-going and seamless from year to year, thus the Department is committed to a consistent funding and resource profile to ensure efficient and effective delivery of training to the acquisition workforce. The Department appreciates the continuing Congressional interest in all of the Federal Acquisition workforce and hopes, with your support, to be able to take advantage of all of the resource allocation arrangements available to various Federal departments and agencies.

Question#:	23
Topic:	transition
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: DHS's budget submission requests a small increase for the Undersecretary for Management to "provide for continuity throughout the transition process." I have been very concerned with DHS's readiness for the upcoming transition, which will be its first. Will this small increase be enough to ensure a smooth transition, despite the challenges the Department already faces from a management perspective?

Answer:

DHS is already undertaking a wide range of tasks for transition planning. On August 13, 2007, the President signed an Executive Order that now reflects the current structure of the Department. In October 2007, DHS completed a succession order and Delegation of Authority for each senior leadership position (at the component head level) within the Department. In addition to component level leadership positions, we are also working to identify and plan succession for critical homeland security positions to provide continuity at the time of transition.

The Department of Homeland Security plans to hold two conferences, as well as briefings and exercises, to prepare its senior career officials and appointees for the Presidential administration transition.

From February 19-21, 2008, DHS hosted a two and a half day conference that brought together the Department's top career and non career leadership from all components including field-based employees. The attendees participated in a Federal Emergency Management Agency (FEMA) exercise, as well as briefings on the Department's major initiatives with a focus on execution in the field.

In the spring of 2008, the Department will host another two-to-three day event for senior career employees from all of the components at the Federal Law Enforcement Training Center in Georgia. This training will engage senior career employees in a series of briefings, scenarios and FEMA exercises to reinforce integrated operational preparedness and execution throughout the Department.

DHS is also leading a DHS-focused inter-agency collaboration approach that centers on structured, deliberate processes that engage key groups and individuals to build relationships. DHS has engaged the Council for Excellence in Government to conduct multiple table top exercises before, during, and after the Department's transition. The purpose is to communicate roles, responsibilities and homeland security protocols to

Question#:	23
Topic:	transition
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

senior career officials and incoming appointees. Through the exercises, these individuals will practice their roles and interact with other decision makers in a variety of emergency scenarios and ensure preparedness should a crisis arise, whether natural or man-made. It will also build the relationships and camaraderie among key decision makers.

Additionally, the overall transition effort includes the Homeland Security Advisory Council (HSAC). In January 2008, the HSAC delivered a report that identifies transition best practices. These recommendations and others will help the Department develop transition guidance to address the “nuts and bolts” of the Department’s operations. Furthermore, the Department is providing improved processes to equip new appointees with the tools they need and the information and relationships required to be effective in their jobs.

From an appropriations stand point, Public Law 110-28 appropriated for the Office of the Under Secretary for Management \$900,000 for an independent study with the National Academy of Public Administration (NAPA) to compare the Department of Homeland Security senior career and political staffing levels and senior career training programs with those of similarly structured cabinet-level agencies as detailed in House Report 110-107. The Department of Homeland Security engaged NAPA to conduct this study for \$548,134 and then engaged the Council for Excellence in Government for \$305,127 to help DHS ensure it is prepared to continue operations in the face of an administration change.

For 2009, the Department will continue to use its base resources to prepare for transition. The budget submission request of \$250,000 for the Under Secretary for Management, about which you are inquiring, is to sustain the newly created Deputy Under Secretary for Management position, which includes: salary, benefits and working capital fund costs. This career position was created to provide for continuity throughout the transition process.

Question#:	24
Topic:	privacy office
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: Last year Congress passed and the President signed into law legislation implementing additional recommendations of the 9/11 Commission. Included in the Act was a provision I authored granting the DHS Chief Privacy Officer additional investigatory responsibilities and more independence. According to your staff, the President's budget request does not reflect funding for the expanding role of the Chief Privacy Officer because the budget request was submitted before the 9/11 bill became law. What additional funds do you believe are needed to ensure that the DHS Privacy Office has the ability to investigate possible privacy violations?

Answer:

The Privacy Office is in the process of evaluating the financial impact of its expanded role and additional responsibilities granted under the 9/11 Commission Act (the Act), including the authority to investigate "any matter relating to possible [privacy] violations or abuse concerning the administration of any program or operation of the Department."

Part of this evaluation depends on facts we do not yet know. For instance, the Act calls for a structured relationship between the Privacy Office and the DHS Office of Inspector General (OIG) for the investigation of certain privacy matters. Those two offices recently enacted an MOU which outlines, among other things, a referral process for matters for potential investigation, contemplated under the Act. It is not clear yet to what extent the OIG will exercise its discretionary authority to investigate the issues referred to it. The more it refers back to the Privacy Office, the greater the impact on that office's resources.

In addition, the Privacy Office is studying both the number and nature of complaints, allegations, and other information which might trigger an investigation or review. As its recent report to Congress under Section 803 of the Act indicates, the Privacy Office recently defined three broad categories of privacy complaints: Relating to (1) Transparency – issues concerning process and procedure, such as consent, appropriate notice at the time of collection, or notices provided in the Federal Register; (2) Redress – issues concerning appropriate access, correction, and redress; and (3) General – issues related to general privacy concerns and other concerns that are not addressed in Transparency or Redress. As the Privacy Office examines complaints, allegations and other information in this context, it will better understand the appropriate actions it must take, and the resources it will need to execute any necessary investigation or review.

Question#:	24
Topic:	privacy office
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

The Office is working to implement all its statutory responsibilities, including the authority to investigate. As noted above, the Privacy Office recently concluded an MOU with the DHS OIG, which details the referral process required by the Act. Additionally, the Privacy Office is working with the Office of the Chief Human Capital Officer to hire a new Director of Investigations and Inquiries. This senior level position was planned before the passage of the Act, and is accounted for in the enacted '08 budget. The number and level of staff support needed for this position will become clear as the year progresses.

Finally, it is important to note that the Privacy Office possessed the authority to review Departmental programs before passage of the Act and has exercised that authority on a number of occasions. The Privacy Office website, www.dhs.gov/privacy, provides links to six such reviews:

- ADVISE Report, July 11, 2007 – Review of the Analysis, Dissemination, Visualization, Insight and Semantic Enhancement (ADVISE) Program including recommendations.
- Secure Flight Report, December 2006 – DHS Privacy Office Report to the Public on the Transportation Security Administration's Secure Flight Program and Privacy Recommendations.
- MATRIX Report, December 2006 – DHS Privacy Office Report to the Public Concerning the Multistate Anti-Terrorism Information Exchange (MATRIX) Pilot Project.
- Report Assessing the Impact of the Automatic Selectee and No Fly Lists, April 27, 2006
- Report Concerning Passenger Name Record Information Delivered From Flights Between the U.S. and European Union, September 19, 2005.
- Report to the Public on Events Surrounding jetBlue Data Transfer February 20, 2004.

The Privacy Office will continue these efforts and they will be strengthened by the incoming Director of Investigations and Inquiries. Moreover, the Office will work with the Department to evaluate its resource needs so that it may fully implement its authority to investigate under the Act

Question#:	25
Topic:	training - 2
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: In your budget justification, you state that over 14,500 supervisors, managers, and executives were provided training in FY 2007, and the budget states a priority to increase the learning and development training program at DHS. What are your goals for training in FY 2009 and what funding do you plan to commit to reach these goals?

Answer:

Training goals for FY2009 include delivery of courses under the four areas of the DHS Chief Learning Officer: The Leadership Institute, which provides leadership training for DHS employees at all GS levels; The Preparedness Center, which promotes a "culture of preparedness" and develops courses in support of the DHS mission; the Homeland Security Academy, DHS graduate education opportunities; and the Center for Academic and Interagency Partnerships, which develops partnerships to build capacity and capabilities to support mission operations. A total of \$7M (FY09 base: \$1.5M; FY09 increase: \$5.5M) will be used to support these goals.

Question#:	26
Topic:	REAL ID
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: Last month, DHS released the final regulations implementing the REAL ID Act. I have very strong concerns with the regulations, including the lack of strong privacy protections and the unfunded mandate on the states. Nonetheless, DHS officials plan to move forward with the proposal and claim that REAL ID is a major priority for the Department. That is why I am disappointed that the FY 09 budget request provides no real funds. The budget provides funds to establish a federal and state connectivity hub but no funding for the states. Instead, DHS asks states to use pre-allocated homeland security grant funds, which you propose to cut, and sets up a funding pool that must also compete with buffer zone protection grants. Given DHS insistence that REAL ID is a priority, why didn't the Department propose more funds to the states for this program?

Answer:

REAL ID is an essential part of the Department of Homeland Security's (DHS) strategy for protecting the Homeland against dangerous people.

To date, DHS has already made approximately \$360 million available to assist states with REAL ID implementation-\$80 million is dedicated to REAL ID grants and another \$280 million in general funding is available as part of the State Homeland Security Grant Program. States can use up to 20% of their FY 2007 and FY 2008 State's Homeland Security Grant Program Funds for REAL ID compliance efforts.

Also, the President's FY 2009 budget proposes an additional \$50 million in dedicated grants to States for REAL ID and the Secretary of DHS invites States to submit proposals for the \$110 million National Security and Terrorism Prevention Grant Program that can fund projects that advance REAL ID objectives. In addition, of the \$200 million requested for State Homeland Security Grants in FY 2009, 20% or \$40 million would be available for REAL ID.

DHS realizes there may be privacy concerns with the REAL ID Act and has addressed these concerns to the extent of its authority in the final rule. State Departments of Motor Vehicles (DMVs) will continue to protect the personally identifiable information of its citizens as it has always done. The final rule prohibits the release and use of information inconsistent with the Driver's Privacy Protection Act. Further, States are encouraged to provide even greater protections via their State laws and regulations. DHS has addressed privacy concerns and questions by integrating these important considerations throughout the development of the final rule, and States will be required to submit a security plan that documents, among other things, how the State is protecting personally identifiable information. These privacy provisions will indeed hold States accountable for protecting the privacy of driver information.

Question#:	27
Topic:	TSA staffing
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: As you know, under the REAL ID regulations, states may seek a waiver to delay compliance until December 2009. Such a waiver would allow citizens of those states to board an airplane with a state-issued drivers license after May 11, 2008. Several states have passed laws in opposition to the REAL ID Act and thus may be unable to seek a waiver. This could lead to increased secondary screening at airports in those locations. What efforts both this year and next are you taking so that TSA has enough employees to ensure that citizens in those states can still travel with limited delays on and after May 11, 2008?

Answer:

The Department of Homeland Security (DHS) strongly supports the REAL ID Act and believes it is a critical step in enhancing homeland security. The policy behind the REAL ID Act was a key recommendation of the 9/11 Commission. DHS encourages all states to comply with this important law and where necessary seek an extension as permitted in the Final Rule. Residents of states that are not in compliance with the REAL ID Act and that do not have other acceptable Government issued identification (ID) such as a passport or a military ID may face delays in gaining entry to federal facilities and buildings and in passing through airport security. After the March 31, 2008 deadline to request extensions passes, we will have a better grasp of the potential impact and we will take appropriate action to adjust our resources and inform the public.

Question#:	28
Topic:	morale
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: Improving morale at the Department, which was one of the issues raised in the 2006 Federal Human Capital Survey, is essential to any retention efforts by DHS in the coming year and one component of your budget priorities. Employees feel better about their job when they know their views are being taken into consideration and their rights are being protected. How do you plan to engage employees and respond to their concerns through the Human Capital Operational Plan?

Answer:

The Department has undertaken numerous initiatives and activities to promote employee engagement as described herein:

- The Department will continue to engage in action planning activities and progress monitoring based on the combined results of the 2006 Federal Human Capital Survey (FHCS), the 2007 annual employee survey and the 2008 FHCS. (Note: DHS will conduct census surveys in order to give voice to more employees)
- The Department is planning to expand DHS wide focus groups in 2008 to further identify areas for improvement and give voice to concerned employees
- DHS will continue with its performance management program roll-out with results focused performance plans that are aligned with organizational priorities and provide clear expectations. The program is designed to be transparent to inspire employee trust and acceptance as well as increase employee understanding of the relationship between individual and organizational goals
- DHS has established the TSA Idea Factory and will implement across Headquarters
- DHS will continue its career path program to facilitate mobility throughout DHS frontline occupations
- The Department will continue the DHS Fellows Program which gives outstanding GS -13s, 14s and 15s the opportunity for enterprise-wide leadership training including visits to crucial emergency planning sites and a two-month rotational assignment within the Department
- DHS will continue its Speakers Bureau Program to allow employees to hear from their senior leaders as well as from experts in various fields of interest to DHS employees
- The Department has deployed the DHScovery Learning Management System and will continue to conduct outreach events/activities to increase awareness of the benefits of DHScovery to organizational and individual performance

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- DHS will continue with its Leadership Development Courses to help develop future leaders and teach critical leadership skills to entry and mid-level managers; courses designed to improve opportunities for employee skill development
- DHS will continue to monitor the progress of the initiatives designed to close skill and human resource gaps for mission critical occupations (MCO), i.e. Border Patrol Agents, Adjudication Officers, and Deportation Officers etc.
- As part of the Corporate Diversity Strategy, DHS has established relationships with diversity based professional organizations and will continue to pursue and cultivate more relationships for the strategy's purpose
- DHS will continue to utilize the web-site targeted to Veterans as an outreach strategy and update as necessary
- DHS will continue to pursue efforts to enhance Diversity among the executive cadre
- DHS will continue with employee organizations and unions in policy formulation i.e. the Law Enforcement Council, Labor-Management Council
- In order to improve communication, DHS will continue to distribute news releases, fact sheets, promotional materials etc., designed to promote knowledge and understanding of the Department's priorities and initiatives
- DHS will continue to implement and update work-life practices such as alternate work schedules, telework and Employee Assistance Programs (EAP)
- DHS Leadership will continue to make conscientious efforts to visit field operations and meet one-on-one with employees.

Question#:	29
Topic:	training reports
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: It is now a requirement that every agency provide OPM with detailed reports on their training programs. With all the various training going on through the Department and its components, this presents a challenge to pull together accurate information. How do you plan to report comprehensive training information?

Answer:

The Department's Training Leaders Council (TLC) has endorsed a draft Management Directive for the Assessment & Evaluation of Employee Training, Education and Development Programs that incorporates a three-pronged approach for training assessment and evaluation:

- a) Requiring Components to include provisions from the GAO-04-546G, "Guide for Strategic Training, Education & Development Efforts" and OPM Guide for Collection and Management of Training Information into their existing training reviews and quality assurance programs. (This captures tactical and qualitative data at the program manager level.)
- b) Conducting a semi-annual DHS Training Status Report that captures OPM-required Enterprise Human Resource Integration (EHRI) data. (Capturing Component and Enterprise-wide quantitative training data to answer inquiries to the Secretary, Congress, OPM, OMB and FOIA requests.)
- c) Performing OPM-required Human Resources Operations Audits (HROA's) every three years in accordance with the Human Capital Assessment and Accountability Framework (HCAAF). (Identifying and monitoring Component and Enterprise-wide training best practices and compliance issues.)

At the present time, the Department's Learning Management System, DHScovery, is only partially deployed throughout the Department. However, by 2010, DHScovery should be fully deployed. DHScovery delivers, guides, records, monitors, and reports individual, organizational, and Departmental training activity. Moreover, DHScovery captures quantitative data and is the sole interface with OPM for reporting required DHS Enterprise Human Resource Integration data.

Question#:	30
Topic:	TSA COLA
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: TSA has been given a number of personnel flexibilities, including a pay-for-performance system, which I have many concerns with. In your FY09 budget, you will no longer provide TSA employees a COLA adjustment. Meanwhile, the Department is trying to recruit and retain talented workers. Please explain how you think this will help the Department recruit and retain a top-notch workforce?

Answer: Currently, the Transportation Security Administration's (TSA's) annual pay increase (comparable to COLA) is known as the Comparability Equivalent Increase (CEI) and is the same amount as the annual civilian federal pay increase – as is typically directed by the Financial Services and General Government Appropriations Acts. For fiscal year (FY) 2009, TSA plans to utilize the flexibility provided under the Aviation and Transportation Act (ATSA) to distribute the CEI funds in accordance with performance ratings. It is expected that the vast majority of Transportation Security Officers (TSOs) will still receive a salary increase similar to CEI amounts. Low performing TSOs, however, may receive a slightly lower salary adjustment and high performing TSOs will receive more than the original CEI amount. TSA anticipates that the addition of these funds to its pay for performance pool and further recognition of performance will enhance efforts to recruit and retain high performing TSOs.

Question#:	31
Topic:	diversity
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: As I mentioned in my statement, the diversity of the Department must reflect the diversity of the Nation. I'm pleased to see that you include diversity outreach as a priority in your FY09 budget. In improving diversity, we also need to be sensitive to merit system principles. How does your plan improve diversity and maintain merit principles?

Answer:

In FY08, we established a Diversity Council, created a Diversity Strategy and are formalizing a specific diversity-focused action plan (the action items are race and gender-neutral). In FY09, we will begin to deploy the initiatives within the Strategy, to attract a richer pool of job applicants in terms of diversity. We will ensure adherence to merit system principles in selections and promotions, but promoting more diverse and highly qualified applicant pools should enhance the potential for diversity in the workforce. This may include efforts to seek an executive search firm with proven experience in diversity, acquisition, development, and placement with particular emphasis on career development for our employees at the grades GS-13 and below. Our efforts in FY09 also include diversity management training for managers, a program for internal detailing for professional development and enhancing, and a formal mentoring program.

Question#:	32
Topic:	CBP staffing
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: The Administration proposes to add approximately 2200 Border Patrol officers and approximately 300 Customs and Border Protection (CBP) officers at ports of entry. According to a November 2007 report by the Government Accountability Office (GAO), CBP's own staffing models show that CBP needs thousands more CBP officers at ports of entry and understaffing creates serious security risks. See GAO, Border Security: Despite Progress, Weaknesses in Traveler Inspections Exist at Our Nation's Ports of Entry (November 2007, GAO-08-219).

Why is the Administration asking for so few additional CBP officers at ports of entry?

Has CBP created a staffing model for Border Patrol? If so, please provide the results, as well as documentation of the model's assumptions.

Please state how the Administration weighed the relative need for more Border Patrol officers and more CBP officers at ports of entry and how it arrived at its requests for additional hiring in these two areas.

Answer:

The President's budget request for FY 2009 balances competing priorities among CBP's multiple mission areas. The increase for BPAs directly supports CBP's goal to increase and extend control of the borders between ports of entry, allowing the agency to leverage simultaneous investments in technology infrastructure and facilities. The increase for CBPOs, which totals 539, allows for implementation of the Western Hemisphere Travel Initiative, resolution of alarms from newly-deployed radiation portal monitors, and improved passenger screening at land ports of entry. More than twice as many CBPOs are being requested in FY 2009 as were requested in FY 2008 or FY 2007. The Workload Staffing Model was used to determine the staffing needs for CBPOs. The results of the model, along with information on future workload, such as the opening of new bridges or crossings, and input from the Field Office Directors, were and continue to be used when making decisions on allocating staff.

Question#:	33
Topic:	US VISIT
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: Recently GAO reported that “Overall, the US-VISIT fiscal year 2007 expenditure plan and other available program documentation do not provide a sufficient basis for effective program oversight and accountability.” See GAO, *Homeland Security: U.S. Visitor and Immigrant Status Program’s Long-standing Lack of Strategic Direction and Management Controls Needs to Be Addressed* (August 2007, GAO-07-1065). As a result, the report concluded that “there is no reason to expect that its newly launched exit endeavor, for example, will produce results different from past endeavors—namely, DHS will not have an operational exit solution despite expenditure plans allocating about a quarter of a billion dollars to various exit activities.” See *ibid.* at p. 8.

The Department has not yet released the Notice of Proposed Rulemaking (NPRM) for US-VISIT air and sea biometric exit, although it had planned to do so by the end of last year. See e.g., *ibid.* at 10-11; Zack Phillips, “FEATURES: Staying On Track,” *Government Executive* (November 15, 2007). Nevertheless the Administration’s budget requests another \$390 million dollars for US-VISIT, including approximately \$56 million for comprehensive biometric exit at air and sea ports. According to the Department’s congressional budget justification, US-VISIT plans to finalize a biometric exit strategy and complete implementation of a biometric air and sea exit system by the end of calendar year 2008

Please state when the Department plans to release the NPRM for US-VISIT air and sea biometric exit and explain the cause of the delay in doing so.

Please provide a detailed timeline implementation of the biometric exit program and a detailed justification for the biometric exit budget request.

Answer:

The Department of Homeland Security is developing an Air/Sea Biometric Exit program that will require individuals who provide biometrics on entry to provide them on exit. The Notice of Proposed Rulemaking (NPRM) for this requirement is currently under review for clearance. Once the review is completed, the Department will publish the NPRM, solicit public comment, and prepare a final rule.

Concerning funding for Air/Sea Biometric Exit, the majority of the funds necessary for development of this capability will come from Fiscal Year 2008 and prior-year carryover funds. For FY 2009, US-VISIT is requesting \$55.5 million for exit activities. These funds will be used for planning a land exit strategy, as well as supporting Information Technology infrastructure upgrades for Air/Sea Biometric Exit.

Question#:	34
Topic:	detention space
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Question: The Administration has requested funding to increase immigrant detention space by one thousand beds. Very little funding is requested to increase alternatives to detention, such as electronic monitoring of people in immigration proceedings. Alternatives to detention save taxpayer money and reduce the harmful effects that incarceration can have on vulnerable populations such as asylum seekers.

Please provide an explanation of how funding for alternatives to detention is used, including the types of alternatives used and the number of people placed in alternative programs in each of the last five years.

Please explain why the Department has not placed greater emphasis on developing alternatives to detention.

Answer:

U.S. Immigration and Customs Enforcement uses ATD programs to improve aliens' compliance with conditions of release, including but not limited to, their attendance at immigration hearings.

Alternatives to Detention (ATD) programs are intended to provide field and sub-offices with supervision tools to assist in monitoring aliens released from custody. The population of ATD programs consists of non-detained docketed aliens who are under Orders of Supervision or Release on Recognizance. People who benefit from the ATD program may include criminals and non-criminals. The Office of Detention and Removal Operations gives preference to the following groups for consideration in a ATD program: individuals who are not subject to mandatory detention or who have been ordered released by the appropriate judicial authority; individuals who are not deemed to be threats to the public or flight risks; and individuals who have the infrastructure in place to support various electronic monitoring technologies.

DRO considers input and advice from a variety of sources, including NGOs, ICE attorneys, and foreign Consulates. DRO may elect to release an alien into an ATD program by utilizing prosecutorial discretion when circumstances are warranted. This is determined on a case-by-case basis.

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If an alien's enrollment is denied and he or she remains in custody, the alien may request a custody re-determination hearing before an Immigration Judge. However, if an alien is released, ICE determines the conditions of the alien's release.

In FY 2002, Congress appropriated \$3M for Alternatives to Detention. The \$3M appropriation continued as the base in FY 2003, FY 2004, and FY 2005. In addition to the \$3M base in FY 2005, ICE received an \$11.2M enhancement, bringing the total appropriation for alternatives to detention to \$14.2M. In FY 2006, 2007, and 2008, funds provided to ATD continued to increase: FY 2006 to 28.5M, FY 2007 to 43.6M, and then FY 2008 to 53.8M.

Initially, ICE utilized the Electronic Monitoring Program (EMP) as its only alternative to detention. More specifically, two General Services Administration (GSA) task order contracts were awarded for development and use of EMP. The first contract (COW-2-J-1259) was awarded on September 27, 2002, to ADT Security Services, Inc. (now Group-4-Securicor, Inc. (G4S)) for a maximum amount of \$2,617,962.50. This contract included a base year plus four one-year options. The follow-on contract (HSCEOP-07-F-00706) was also awarded to G4S on May 11, 2007, for a period of six (6) months in the amount of \$377,716.00. Both task order contracts have since been completed.

As the, then exclusive means for providing aliens with an alternative to detention, EMP was used as a reporting/case management tool for aliens released from custody, which utilized telephonic reporting and electronic devices (i.e., radio frequency (RF), and Global Positioning System [GPS]) to assist officers in streamlining the case management activities necessary to track non-detained alien cases. EMP was intended to be used as a tool to facilitate the alien monitoring process for field officers, rather than as a tool to increase compliance or removal rates. The EMP Contract expired on December 11, 2007 and was replaced by the ESR program described below. Those individuals who were active in the EMP program at the time of its expiration were then transitioned to ESR.

Enrollments during these contractual periods were as follows:

- Base Period (September 2002 to August 2003): 41
- Option Period 1 (September 2003 to August 2004): 707
- Option Period 2 (September 2004 to August 2005): 6,625
- Option Period 3 (September 2005 to August 2006): 1,776

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- Option Period 4 (September 2006 to December 2007): 2,489

Since the expiration of the EMP contract, ICE has been using two alternatives to detention initiatives:

- 1) The Intensive Supervision Appearance Program (ISAP) employs contractor case specialists to closely supervise the enrolled aliens, utilizing a variety of tools to supervise the aliens not in ICE custody. ISAP relies on electronic monitoring devices, unannounced home visits, required office visits, and telephonic reporting. In addition, the contractor collects information pertinent to travel document requests.

The program began in eight "pilot" sites: Baltimore, MD; Philadelphia, PA; Miami, FL; St. Paul, MN; Denver, CO; Portland, OR; San Francisco, CA; and Kansas City, MO. Since the initial launch of the eight "pilot" sites, BI Incorporated, working in conjunction with ICE/DRO have opened four more locations in Delray Beach, FL; Los Angeles, CA; New York, NY; and Orlando, FL. In 2004 and 2005, ISAP had 1,600 available participant slots. Capacity rose to 1,800 in 2006. In November 2007, the available participant capacity rose to 4,000 slots.

The number of participants enrolled into the ISAP in each year is as follows:

- Base Period (July 2004 to June 2005): 1,514
- Option Period 1 (July 2005 to June 2006): 1,446
- Option Period 2 (July 2006 to June 2007): 1,333
- Option Period 3 (July 2007 to June 2008): 1,791 (4 months remaining)

As noted above, ISAP has a maximum participant limit of 4,000. Of these 4,000 slots, 2,711 are currently participating in the program. Since its inception, ISAP has served over 6,000 participants. The program currently reports a 99% total appearance rate at immigration hearings and a 94% appearance rate at the time that the Immigration Judge renders a final order of removal. The overall compliance rate is 46%, of which, 33% pertains to compliance with removal orders and voluntary departure, and 13% pertains to some form of relief being granted to the alien participant.

- 2) The Enhanced Supervision Reporting Program, (ESR) is similar to ISAP in that contract supervision specialists closely supervise aliens utilizing electronic

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Hearing:	DHS Budget Submission for FY '09
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monitoring, residence verification, home visits, in-person reporting, and travel document information collection. However, distinct from ISAP, ESR requires fewer home visits, in-person reporting, and does not incorporate community referral requirements.

Moreover, unlike ISAP, ESR has an Electronic Monitoring-Only (EM-Only) component.

The full-service component of ESR will provide services within a 50-mile radius of the 24 DRO Field Offices and three Sub-Offices (Charlotte, NC; Hartford, CT; and Orlando, FL). As of February of 2008, fifteen (15) locations have been approved to commence with full-service operations. These Field Offices includes: Atlanta, Charlotte, Chicago, Dallas, Denver, El Paso, Hartford, Houston, Los Angeles, Miami, Newark, New Orleans, Orlando, San Antonio, and San Francisco. It is anticipated that the other twelve (12) locations will begin by the end of April 2008.

The current capacity for ESR Full-Service is 7,000. However, ESR's EM-Only Services are available nationwide, to an unlimited amount of participants. Given this capacity, current ESR EM-Only participation levels nationwide are as follows: 6,940 active participants currently in ESR EM-Only (Telephonic Reporting/Voice Recognition – 6,584, Radio Frequency/Ankle Bracelets – 356). In comparison, only 169 participants are enrolled into ESR's Full-Service program.

The ESR contract (HSCEOP-07-D-00006) was awarded to Group-4-Securicor, Inc. (G4S) on 9/25/2007 for a total maximum amount of \$76.7 million and includes a base year plus two one year options.

Question:

Please explain why the Department has not placed greater emphasis on developing alternatives to detention.

Answer:

I believe the Department has placed proper emphasis on the use of alternatives to detention where appropriate. I note that since the inception of the Alternatives to Detention program, it has continued to grow both in terms of the number of participants and in the geographic areas in which it is available.

Question#:	35
Topic:	IG reform
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Claire McCaskill
Committee:	HOMELAND SECURITY (SENATE)

Question: As you may be aware, there are two Inspector General reform bills winding their way through Congress. The Senate version, S. 2324, was voted out of this committee unanimously by voice vote and awaits action on the Senate floor. S. 2324 makes several changes to the budget process as it relates to Inspectors General. These changes would bring greater transparency to the IG budgets. Would the Secretary be willing to provide to this committee the information that would be required under S. 2324? Specifically:

Would the Secretary provide to the committee the amount of the budget request made by the Inspector General to the Department of Homeland Security (DHS)?

Answer:

Similar to other components of the Department, submissions and recommendations for the 2009 Budget made by the Inspector General reflect only a one step in the budget formulation process and it would be inappropriate to provide that information out of context.

Question:

Did DHS, in formulating its budget request for the IG, consider how much money was needed for training of DHS IG personnel and for providing funds to be used for the President's Council on Integrity and Efficiency? If so, would the Secretary provide those numbers?

Answer:

Training costs are included in our modular costs when pricing out positions and, as such, would include funding for a variety of opportunities including President's Council on Integrity and Efficiency related training.

Question:

S 2324 requires that any comments by the Inspector General in relation to the President's budget request for his office be attached to the President's budget request, including whether the requested amount would substantially inhibit the Inspector General from performing the duties of the office. Is the Secretary aware of any comments the DHS IG would like to make in this regard?

Answer:

Similar to other components of the Department, comments and analysis produced by the Inspector General reflect only a one step in the budget formulation process and it would be inappropriate to provide that information out of context.

Question#:	36
Topic:	worksite enforcement
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Claire McCaskill
Committee:	HOMELAND SECURITY (SENATE)

Question: In your joint press conference with Attorney General Mukasey on February 22, you stated that your respective Departments “are also working on a plan to increase criminal penalties against the most egregious employer offenders”.

Does DHS use one, specific definition of the word “egregious” in the context of worksite enforcement? If so, please provide that definition. If the Secretary is aware of ICE using one specific definition of “egregious,” please provide that as well.

If there is no specific definition of “egregious” used uniformly throughout the Department in this context, please provide the committee with your meaning of “egregious” as used in your comments on February 22, 2008.

Answer:

During the referenced press conference I was referring “egregious” in the context that ICE considers an employer egregious when their conduct involves the deliberate, willful and systematic hiring or exploitation of undocumented aliens for financial gain, such as described in the provisions of 8 USC 1324 and 8 USC 1324a. While each worksite enforcement investigation may vary in size and scope, factors such as extent of harm caused by inhumane living or employment conditions, the number of undocumented aliens employed, and resultant illegal financial gain by the employer enter into the determination of whether an employer is egregious. ICE, when determining worksite enforcement investigative priorities, carefully considers all relevant factors, and known information regarding an employer in order to apply ICE worksite enforcement resources effectively, and in the interest of justice.

Question#:	37
Topic:	CBP report
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Jon Tester
Committee:	HOMELAND SECURITY (SENATE)

Question: January 30 was the statutory deadline for DHS to report to Congress on northern border vulnerabilities. The report is required by Section 731 of Public Law 110-55, the bill that implemented the 9/11 Commission recommendations. Thus far, no one from DHS has been able to give us any indication of when that report might be completed. When can we expect this report?

Answer:

The report required by Section 731 of PL 110-55 was submitted to Congress on February 29, 2008. Copies of the transmittal letters as well as a copy of the report are provided along with this response.

Question#:	38
Topic:	TECS
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Susan M. Collins
Committee:	HOMELAND SECURITY (SENATE)

Question: This Committee has examined the case of a Mexican national with multi-drug resistant tuberculosis who was able to enter the United States 21 times over a month and a half, even though DHS had the man's last name, middle name, and date of birth. Our investigation has unveiled serious weaknesses with the DHS Traveler Enforcement Communications System, or TECS, that Customs and Border Protection uses to screen travelers at the border against watch lists. Some of the technology running this system dates back to the 1980s. DHS finally began a 6-year modernization of TECS this year, and the Fiscal Year 2009 budget has \$25 million to continue this project. I believe that 6 years is too long, however, for CBP officers to be without this upgraded tool. Please review the timeline for this modernization and report to the Committee on whether it can be accelerated.

Answer:

The FY 2009 President's budget includes an additional \$25 million (for a total of \$50 million) to accelerate completion of the project from 12 years to 6 years. TECS has such a wide range of functionality that a project schedule of less than 5 years would be unrealistic and increase risk. The current schedule does provide improved searching for both primary and secondary in the FY08-FY10 period. CBP will continue to look at opportunities to improve searching as early as possible in the schedule.

Question#:	39
Topic:	northern border enforcement
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Susan M. Collins
Committee:	HOMELAND SECURITY (SENATE)

Question: Section 731 of the Implementing Recommendations of the 9/11 Commission Act of 2007 required the Department to submit a report regarding ongoing initiatives to improve security along the northern border of the United States. The report, which was due last week, should address vulnerabilities along the northern border and provide recommendations for these vulnerabilities, including required resources needed to protect the northern border of the United States. While significant efforts have been applied along the southwest border, a northern border enforcement strategy for future resources and staffing remains unsettled. Please tell us about the Department's plans to increase resources along our northern border and when this report will be released?

Answer:

DHS has a strong, proactive presence at and between the ports of entry (POEs) along the northern border to address the potential threats and vulnerabilities to our Nation. It is also aggressively planning and implementing initiatives to enhance capabilities along the entire northern border. These initiatives are designed to improve deterrence and detection of incursions, response capabilities, as well as passenger and cargo screening at the POEs.

U.S. Customs and Border Protection (CBP) is refining its Northern Border Strategy to more comprehensively address all hazards and all threats to the northern border. The strategy will be driven by shared, timely, actionable, and accurate information. The goal is to gain effective control of the northern border through the deployment of an optimal mix of resources, including personnel, tactical infrastructure, and technology. It also will build upon on-going initiatives and strong partnerships with Federal, State, local, tribal, and foreign governments as well as international partners. Through the deployment of resources and partnerships, security in each geographical area along the northern border will be enhanced while the levels of control established by previous deployments are maintained.

Operational efforts are increasing staffing and investing in technology and tactical infrastructure projects along the northern border. These enhancements will improve law enforcement effectiveness, create deterrence, and allow CBP personnel to focus on potential threats while facilitating legitimate travelers and cargo. In addition, several other initiatives such as the Western Hemisphere Travel Initiative, aviation assets, and intelligence, information-sharing, and community partnerships are planned or underway to secure the northern border.

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Topic:	northern border enforcement
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Susan M. Collins
Committee:	HOMELAND SECURITY (SENATE)

In March of 2007, Congress directed CBP to realign \$20 million of the Border Security, Fencing, and Infrastructure and Technology appropriation “to begin addressing needs along the northern border.” As such, CBP is developing a prototype that demonstrates an integrated air, land, and maritime security solution in the area along the Detroit Sector’s St. Clair River border zones.

The report required by Section 731 of PL 110-55 was submitted to Congress on February 29, 2008.

Question#:	40
Topic:	WHTI staffing
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Susan M. Collins
Committee:	HOMELAND SECURITY (SENATE)

Question: The Department's Fiscal Year 2009 budget proposal contains funds to increase the number CBP officers specifically to handle implementation of the Western Hemisphere Travel Initiative at the land borders and to make upgrades to the technology at the 39 largest land ports of entry. This technology and personnel will help facilitate the flow of traffic through the ports of entry when all travelers are required to produce a passport or alternative secure document in mid-2009 under WHTI. You recently announced that DHS will begin requiring that all travelers produce both a birth certificate or other proof of citizenship and a driver's license. Wouldn't it make more sense to push off this new document requirement until 2009 when the additional personnel and technology are in place?

Answer:

The Western Hemisphere Travel Initiative (WHTI) will be implemented in June 2009. Recently, DHS and CBP instituted a change in international land and sea travel document procedures to eliminate a vulnerability that has existed for too long at the borders. As of January 31, 2008, U.S. and Canadian citizens, ages 19 and older, are no longer allowed to prove identity and citizenship using an oral declaration alone. Instead, CBP is asking travelers to present one or more documents to prove identity and citizenship. The intent of the transition beginning January 31, 2008, is to raise awareness, educate travelers, and allow ample time for travelers to obtain necessary documents.

Although U.S. and Canadian citizens crossing at land and sea ports of entry have, historically, been allowed to rely only on an oral declaration of citizenship, it was common practice for CBP officers to request supporting documentation of citizens making an oral declaration; therefore, we did not anticipate major disruptions to cross border trade and travel nor did we anticipate any significant increase in secondary referrals as a result of this change in procedure.

Our changes in document procedures have been very successful with no discernable increase in wait times. Compliance rates are high—U.S. and Canadian citizens are presenting the requested documents when crossing the border. We remain flexible and practical in our implementation approach. CBP will continue to educate and inform the public as we move forward. This phase is designed to allow citizens to get acclimated to presenting documents to CBP officers, and to allow them time to obtain appropriate documents.

Question#:	41
Topic:	IED
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Susan M. Collins
Committee:	HOMELAND SECURITY (SENATE)

Question: The threat posed to our communities by a terrorist bomb, specifically an IED or vehicle-borne IED, is very real and we must be prepared. The Department has a significant federal role ensuring that state and local governments and our private sector partners are prepared, work together to prevent, and are properly equipped to respond to this threat. Now that the National Strategy has been completed, can you outline for the Committee these activities and how DHS coordinates these efforts?

Answer:

The Department of Homeland Security (DHS) has taken a leading role in preparing the Nation, including the Federal, State, and local government and private-sector partners, to combat the domestic use of explosives by terrorists. DHS has adopted a national strategy that outlines a layered approach to the threat, leveraging the range of preparedness activities (deterrence, prevention, detection, protection, and response) with an emphasis on defeating terrorist efforts to use explosives in the planning and execution stages of an attack.

In addition to the frontline efforts of its components such as the U.S. Coast Guard, Customs and Border Protection, Transportation Security Administration, Federal Protective Service, and the U.S. Secret Service, DHS engages in a wide variety of activities that support State, local, and private-sector partners in their efforts to respond to the threat of improvised explosive devices (IEDs) – a threat which the Director of National Intelligence has repeatedly described as the most likely threat facing the homeland.

The first step in preparing for this threat is to set policy. Based on the mandates of Homeland Security Presidential Directive 19 (HSPD-19), the Attorney General, in cooperation with DHS and other Federal agencies, developed the HSPD-19 Report, which set out the Nation's policy and a strategy to combat terrorist use of explosives in the United States. The HSPD-19 Report has clarified the responsibilities of the Federal Government and outlined critical and innovative means to support State and local governments and private-sector partners.

DHS is taking steps to enhance the capability for State and local government and private-sector partners to work in collaboration with the Federal Government to prevent terrorist use of IEDs. Intelligence is a critical component of counter-IED efforts, enabling the disruption of terrorist plots before they become operational. DHS has supported the building of State and local "fusion centers" and has provided intelligence analysts to

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work with State and local authorities to encourage the two-way flow of information. In addition, DHS works with its partners in the Federal Government to ensure that those agencies provide appropriate information and products to State and local authorities.

A key aspect of preparedness against IEDs is an understanding of the realities of the threat. DHS has developed information-sharing and awareness programs that focus on transmitting relevant tactics, techniques, and procedures about terrorist use of IEDs to security partners. *TRIPwire*, an online information-sharing system, provides technical and tactical information to State and local first responders, including bomb technicians, and selected private-sector security partners to enhance awareness of the latest evolutions in terrorist IED use. *TRIPwire* currently has over 3900 users, including 974 certified bomb technicians, representing 40 Federal departments and agencies, 28 military units, 365 State and local agencies, and 35 private sector organizations. DHS reaches out through the Sector Coordinating Councils and the Homeland Infrastructure Threat and Risk Analysis Center to share threat information. Examples of information shared with industry partners are Characteristics and Common Vulnerabilities, Potential Indicators of Terrorist Activity, and Protective Measures Reports. DHS is also working with State and local partners and the private sector to conduct multi-jurisdiction IED security planning to foster the development of efficient and effective mutually supported responses and protective measures for IED threats and incidents.

While targeted protective security information and intelligence are critical for DHS's State and local government and private-sector partners, an aware and informed public is a force multiplier to fight terrorism. The attempted vehicle-borne IED (VBIED) attacks in London in August 2007, for example, were thwarted by an alert first responder who reported suspicious activity. DHS has developed the Bomb-Making Materials Awareness Program (BMAP), which educates industry about components that can be used to manufacture explosives and explosive devices, and suspicious behavior associated with obtaining these materials. BMAP makes it more difficult for terrorists to acquire the items they need to execute a bombing attack successfully.

Beyond providing State and local government and private-sector partners with the information and knowledge to meet the IED threat, DHS is investing heavily in developing technologies and capabilities. This year alone, more than \$1.7 billion is available through the Federal Emergency Management Agency's (FEMA's) Homeland Security Grant Program (HSGP), which has identified IED preparedness as one of its three funding priorities. These funds will support State and local authorities in purchasing advanced equipment, such as bomb robots, X-ray diagnostic tools, and render-safe technologies, as well as communications and protective equipment needed for a safe and effective response. HSGP funds, along with funding from the Transit Security

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Grant Program, can also be used to build detection capabilities, such as training and deploying additional explosives detection canine teams or other detection technologies. DHS's Office for Bombing Prevention (OBP) is using its National Capabilities Analysis Database, which gathers and analyzes State and local IED security capabilities, to support FEMA and State and local bomb squads in identifying investments that will improve needed capabilities.

DHS's Directorate for Science and Technology (S&T) is leading the Federal effort to develop domestic counter-IED technologies. S&T has set up a special Counter-IED Integrated Product Team (IPT), chaired by OBP and the U.S. Secret Service, to leverage existing multi-agency research and investments that deter, predict, detect, defeat, and mitigate the impact of IED attacks. The IPT process links customers, such as State and local first responders, with industry and academic research to ensure that needed technologies are being developed and that those technologies meet the requirements of potential customers. S&T and OBP are also working with the Department of Defense to transfer technologies developed for the counter-IED fight abroad to domestic applications. Over the past year, S&T has accelerated and bolstered its research and development of counter-IED technologies and products. Counter-IED innovations under development and deployed include electronic countermeasures, VBIED render-safe tools, blast mitigation protective measures, IED/homemade explosives and hostile intent detection technologies, and explosives neutralization methodologies. Additionally, S&T is working to develop, test, and evaluate a range of technologies and systems to detect explosives threats to air cargo systems, airport checkpoints, passenger baggage, mass transit systems, and critical infrastructure such as bridges and tunnels.

DHS established OBP to coordinate its diverse counter-IED programs and lead DHS coordination with Federal agencies and State and local partners on IED issues. OBP uses its domestic capabilities analysis and information-sharing and awareness programs to coordinate DHS counter-IED programs, ensuring that gaps in the Nation's security posture are identified, assessed, and addressed, and that DHS and its Federal, State, local, and private-sector partners work together efficiently to address the adaptive threat presented by terrorist use of IEDs.

Question#:	42
Topic:	transition planning
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Susan M. Collins
Committee:	HOMELAND SECURITY (SENATE)

Question: In less than a year, a new President will be sworn into office, and the Department of Homeland Security will undergo its first Presidential transition. Recent history in Britain and Spain has highlighted the vulnerabilities to security during transitions and emphasized that poor transition planning can put our nation's security at risk. These factors represent a unique challenge for this agency. Can you explain what steps the Department is taking to ensure a safe and secure transition?

Answer:

DHS is undertaking a wide range of tasks for transition planning to ensure a safe and secure transition. On August 13, 2007, the President signed an Executive Order regarding the order of succession that now reflects the current structure of the Department. In October 2007, DHS completed a succession order and delegation of authority for each senior leadership position (at the Component Head level) within the Department. In addition to component level leadership positions, we are also working to identify and plan succession for critical Homeland Security positions to provide continuity at the time of transition.

DHS plans to hold two conferences, as well as briefings and exercises, to prepare its senior career officials and appointees for the Presidential administration transition.

From February 19-21, 2008, DHS hosted a two and a half day conference that brought together the Department's top career and non career leadership from all components including field-based employees. The attendees participated in a Federal Emergency Management Agency (FEMA) exercise as well as briefings on the Department's major initiatives with a focus on execution in the field.

In the spring of 2008, the Department will host another two-to-three day event for senior career employees from all of the components at the Federal Law Enforcement Training Center in Georgia. This training will engage senior career employees in a series of briefings, scenarios and FEMA exercises to reinforce integrated operational preparedness and execution throughout the Department.

DHS is also leading a DHS-focused inter-agency collaboration approach that centers on structured, deliberate processes that engage key groups and individuals to build relationships. DHS has engaged the Council for Excellence in Government to conduct multiple table top exercises before, during and after the Department's transition. The

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purpose is to communicate roles, responsibilities and homeland security protocols to senior career officials and incoming appointees. Through the exercises, these individuals will practice their roles and interact with other decision makers in a variety of emergency scenarios and ensure preparedness should a crisis arise, whether natural or man-made. It will also build the relationships and camaraderie among key decision makers.

Additionally, the overall transition effort includes the Homeland Security Advisory Council (HSAC). In January 2008, the HSAC delivered a report that identifies transition best practices. These recommendations and others will help the Department develop transition guidance to address the “nuts and bolts” of the Department’s operations. Furthermore, the Department is providing improved processes to equip new appointees with the tools they need and the information and relationships required to be effective in their jobs.

Question#:	43
Topic:	ATTF
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Susan M. Collins
Committee:	HOMELAND SECURITY (SENATE)

Question: In 2007, DHS asked the Homeland Security Advisory Council (HSAC) to establish the Administrative Transition Task Force (ATTF) to provide recommendations and best practices for the Department to execute an efficient and effective administration transition. In its January 2008 report, the ATTF stated that it is encouraged by early DHS efforts, but indicates that much important work remains to be done and offered a number of recommendations for oversight and action. Can you explain the Department's plan to implement these recommendations?

Answer:

Part of the Department's overall transition effort includes the Homeland Security Advisory Council. In January 2008, the HSAC delivered a report that identifies transition best practices. These recommendations and others will help the department develop transition guidance to address the "nuts and bolts" of the Department's operations.

The Secretary and staff are currently reviewing the recommendations of the Homeland Security Advisory Council's *Administrative Transition Task Force Report*. These recommendations and others will help DHS develop its transition guidance to address the "nuts and bolts" of the Department's operations. Some of the recommendations, such as holding table top exercises, are already ongoing.

Elaine Duke, the Deputy Under Secretary for Management, is the Secretary's designated lead on the Department's transition and will be responsible for assuring the implementation of applicable recommendations in the *Administration Transition Task Force Report*.

Question#:	44
Topic:	H-1B visas
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Susan M. Collins
Committee:	HOMELAND SECURITY (SENATE)

Question: Over the last few years, I have actively engaged officials at U.S. Citizenship and Immigration Services (USCIS) to address immigration visa fraud. A Portland Press Herald series of articles in July 2006 showed that there was rampant fraud in the H-1B visa program for hi-tech workers. I understand that the USCIS Fraud Detection and National Security Unit is conducting a benefits fraud assessment of the H-1B visa program, however, I remain concerned that USCIS still has not committed to a timetable for the completion of this important project. Consequently, I sponsored an amendment to the Fiscal Year 2008 DHS Appropriation Act that was included in the Omnibus, which requires USCIS to complete this report. What is the status of this report?

Answer:

The H-1B Benefit Fraud and Compliance Assessment report was in final agency clearance process on March 5, 2008, and is expected to be released soon. This report involves a complex area of law and regulation spanning a number of agencies. Consequently, additional time was required to ensure that the findings and recommendations from the report were thoroughly reviewed for accuracy prior to release.

The Fraud Detection and National Security Division of the National Security and Records Verification Directorate will continue to exercise the lead role in the conduct of the Benefit Fraud and Compliance Assessment program which is a critically important, foundational series of risk assessment reports upon which USCIS is constructing its fraud detection and deterrence strategy. In the near future, USCIS will be issuing Benefit Fraud and Compliance Assessment reports on marriage based petitions (I-130s), Yemeni family-based petitions (I-130), and asylum applications (I-589).

Question#:	45
Topic:	WHTI resources
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Ted Stevens
Committee:	HOMELAND SECURITY (SENATE)

Question: Secretary Chertoff, as you know, Congress delayed the air and sea implementation of the Western Hemisphere Travel Initiative until no earlier than June, 2009. This was in response to the severe back log of passport requests, which caused many problems for Americans when the air requirements were implemented last year, and to the unavailability of the passcard to be used in lieu of a passport for land and sea border crossings with Canada, Mexico and the Caribbean.

What achievements has DHS made towards full implementation by June, 2009? Will DHS be prepared with enough personnel and the proper technology to ensure no additional delays at our borders?

Answer:

DHS has the pieces in place to ensure that we and the public are prepared for June 1, 2009. We are focusing on three areas: documents, staffing and infrastructure, and communications. DHS is also planning for additional personnel and technology to mitigate any potential for additional delays at the borders when WHTI is fully implemented.

Many cross border travelers already have WHTI-compliant documents such as a Passport or a Trusted Traveler Card (NEXUS, SENTRI and FAST), or an Enhanced Driver's License (EDL) issued by Washington State.

DHS is actively pursuing Enhanced Driver's Licenses (EDLs) as alternative documents. Washington State EDLs are in production and are being presented at the land border. As of March 4, 2008, over 16,000 applications have been received and over 4,500 EDLs have been issued. New York, Vermont and Arizona have all entered into agreements with DHS and are pursuing production and issuance of EDLs. DHS and CBP are working with Canada Border Services Agency (CBSA) to finalize agreements on the British Columbia EDL. British Columbia accepted its first EDL application on January 21, 2008, and plans to issue approximately 700 EDLs in Spring 2008, as a pilot. CBP officers could see the British Columbia EDL at land and sea ports of entry as early as the end of March 2008.

The Department of State has received approximately 90,000 applications from the public for the Passport Card since February 1, 2008.

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In preparation for full implementation as early as June 1, 2009, CBP awarded a contract on January 10, 2008, to begin the process of deploying vicinity Remote Frequency Identification (RFID) facilitative technology and infrastructure to 354 vehicle primary lanes at 39 high volume land ports. CBP deployed the new primary client (software application) in the vehicle primary lanes at the ports of Blaine and Nogales on February 12, 2008, in support of the anticipated RFID hardware installation. This deployment will quickly and effectively provide officers with information on border crossers and focus attention on the traveler and the vehicle. The approved training plan and associated training tools were successfully delivered to 245 CBP Officers in Blaine and Nogales by February 12, 2008.

In October 2007, CBP began to recruit 205 officer positions to support WHTI related surge activity for the trusted traveler programs and secondary processing at land border field locations. As of February 29, 2008, 97 of the 205 CBP Officers have been hired.

To ensure ongoing outreach to key stakeholders and the traveling public, a Public Relations Firm contract was awarded February 4, 2008, to Elevation LLC.

On January 31, 2008, CBP instituted a change in international land and sea travel document procedures, requiring U.S. and Canadian citizens to present one or more documents to identity and citizenship. Previously, CBP had accepted oral declarations alone. CBP is using the time period between January 31, 2008, and June 1, 2009, when implementation of the WHTI land and sea final rule occurs, to get accustomed to presenting the newly required documents to CBP officers. At this early stage, compliance rates have been high with no discernible increase in wait times attributable to the changes at the border.

Question#:	46
Topic:	ICE investigation
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Ted Stevens
Committee:	HOMELAND SECURITY (SENATE)

Question: Secretary Chertoff, as I'm sure you are aware, I have asked Immigration and Customs Enforcement and Customs and Border Protection to investigate an incident that recently occurred in Seattle regarding Mr. Reinhard Neuhauser, an Austrian citizen, who was attempting to visit Fairbanks, Alaska. Mr. Neuhauser was a graduate of the University of Alaska Fairbanks, and was returning with an invitation to work for the Fairbanks Economic Development Corporation. According to Mr. Neuhauser, the U.S. consulate in Vienna was aware that he was planning to apply for a visa to work in our country when he arrived in Fairbanks, and assured them he had no plans to begin working there until the visa was approved. Upon arrival in Seattle, Mr. Neuhauser was questioned, detained, and ultimately forced to return to Austria. His account of what occurred during his detention was disturbing, which is why I asked for the investigation. Can you give me an update into the investigation?

Answer: A review of CBP records confirmed that Mr. Neuhauser arrived in the United States on January 24, 2008, at the Seattle-Tacoma International Airport in Seattle, Washington, and requested to be admitted for 6 months as a temporary visitor using a B-1/B2 visa.

CBP officers noted that Mr. Neuhauser had recently departed the United States after having spent approximately 6 years in Alaska as a student and participating in practical training. Mr. Neuhauser stated that the purpose of his trip was to change his status to that of an H-1B worker, to be employed by the Fairbanks Economic Development Corporation, for which he would be paid a salary of \$55,000 to \$85,000 per year. Mr. Neuhauser had \$180 in United States currency and no return airline ticket.

Pursuant to Section 214(b) of the Immigration and Nationality Act (INA), an applicant for admission as a temporary visitor for pleasure is presumed to be an intending immigrant and is considered ineligible until he or she proves otherwise. United States law places the burden of disproving this presumption on the applicant for admission. Generally, applicants must demonstrate that they have sufficiently strong family, social, and economic ties to their place of residence outside the United States to ensure that their projected stay in the United States will be temporary. "Ties" are the various aspects of a person's life that bind him or her to his or her country or residence, i.e., possessions, employment, and social and family relationships. Some examples of ties can be a person's job and income, a house or apartment, a car, close family relationships, bank accounts, etc.

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Although United States Immigration law does not necessarily prohibit a person who is applying for a work visa from entering the United States as a temporary visitor, such person must, however, be able to overcome the presumption that he or she is an intending immigrant, and must be able to establish that he or she maintains a residence outside the United States which he or she does not intend to abandon. In this instance, it appeared that it was Mr. Neuhauser's intent to remain in the United States until he could arrange for a change of status to that of an H-1B worker. There was no indication that Mr. Neuhauser intended to return to Austria to resume a residency there.

CBP officers informed Mr. Neuhauser that he appeared to be inadmissible pursuant to Section 212(a)(7)(A)(i)(I) of the Immigration and Nationality Act (INA), and he was charged with being an immigrant without an immigrant visa. However, in lieu of processing Mr. Neuhauser as an expedited removal, which would have barred him from reentering the United States for 5 years, he was allowed to voluntarily withdraw his application for admission and depart the United States. Unfortunately, it was not possible to arrange a departure flight for the same day, and Mr. Neuhauser was therefore turned over to the custody of U.S. Immigration and Customs Enforcement (ICE) for overnight detention at the North West Detention Center (NWDC).

Mr. Neuhauser arrived at NWDC at approximately 9:00 PM. He was processed and received a mandatory medical screening prior to entering the general population. Once the screening was complete, Mr. Neuhauser was assigned a dorm room and a bed.

At approximately 9:45 AM the following day, Mr. Neuhauser departed NWDC for transport by CBP back to the airport, and returned to Germany.

Mr. Neuhauser has not been barred from again applying for admission into the United States. His decision to voluntarily withdraw his application for admission does not make him inadmissible or ineligible for a new visa, nor does it prevent him from being found eligible for the H-1B visa he is seeking. Mr. Neuhauser should consult with the consular officers at his local U.S. embassy or consulate for any advice or information concerning his eligibility for a visa and his visa options.

ICE has determined that NWDC personnel conducted in processing for NEUHAUSER in compliance with ICE's National Detention Standards.

Question#:	47
Topic:	ICE office staffing
Hearing:	DHS Budget Submission for FY '09
Primary:	The Honorable Ted Stevens
Committee:	HOMELAND SECURITY (SENATE)

Question: Secretary Chertoff, the split of the Immigration and Naturalization Service (INS) with the creation of the Department of Homeland Security (DHS), caused some areas of this country to lose their immigration services, and in some cases, that means that legal, working immigrants are required to travel long distances, at great cost, in order to fulfill their immigration needs. A good example is the INS field office on the island of Kodiak, Alaska. There is a high demand for immigration services in Kodiak. In a population of approximately 14,000 people, there are 40-50 nationalities. Prior to the INS split, one officer conducted all duties. That man is still in Kodiak, but is limited only to enforcement duties now, working with Immigration and Customs Enforcement (ICE). CBP occasionally sends officers to Kodiak to perform needed services, and they use the ICE facilities. Now ICE is planning to close its office in Kodiak, leaving no option to the many immigrants there but to fly to Anchorage for services.

A flight from Kodiak to Anchorage can be quite expensive, often costing \$500 or more. There are no roads leading in or out of Kodiak, so flying is the only option. When a typical processing job in Kodiak starts at \$8.00 an hour, \$500 is a very big deal.

I had an amendment that was added to the immigration bill last year that would allow ICE officers to perform needed immigration services normally performed by CBP if there are no roads in and out of the area, however that bill did not pass. Now all immigration services are being completely taken away from this area. Can you provide me with an update on that situation? Why would ICE close that office and what does ICE and CBP plan to do for the immigrants from that area without an office available to them?

Answer:

ICE conducted a small office study on remote locations to determine office status and recommend possible actions. ICE determined after the conclusion of this study that the small remote office in Kodiak, Alaska be closed. The study found that there was only one ICE GS -1801 Immigration Officer in Kodiak and no agents. ICE examined historical workflow and found the following:

No evidence of human smuggling and trafficking activity. No evidence of gang activity. No evidence of financial investigations and/or bulk cash smuggling. No evidence of outbound enforcement activities. No evidence of cyber crime. Very limited evidence of identity and benefit fraud. No substantive investigation of national security issues.

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Minimal queries to the Law Enforcement Support Center (LESC), No controlled deliveries and minimal undercover activity. No evidence of violation of customs laws,

ICE has seen some potential for worksite investigations within this area, due to the large number of seafood canneries. However, in order to accomplish a substantive worksite enforcement investigation, agents, support and logistics would be very difficult and expensive to accomplish.

ICE looked at the cost benefit of keeping a non agent in Kodiak and reached the conclusion that the office should be closed and that monthly/quarterly trips to Kodiak to monitor law enforcement activity is a far more productive and efficient use of ICE's resources.